

## BUDGET REVIEW COMMITTEE

MAY 31, 2011

A meeting of the Budget Review Committee was held Tuesday, May 31, 2011 at 7:00 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair presided.

Members of Committee present: Alderman-at-Large Mark S. Cookson, Vice Chair  
Alderman-at-Large Lori Wilshire  
Alderman Jeffrey T. Cox  
Alderman Diane Sheehan (7:02 p.m.)  
Alderman Mary Ann Melizzi-Golja

Members not in Attendance: Alderman Richard P. Flynn

Also in Attendance: Alderman-at-Large Brian S. McCarthy  
Alderman-at-Large Ben Clemons  
Alderman-at-Large Barbara Pressly

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### Chairman Deane

This evening's agenda changed somewhat. I sent out an e-mail. We are going to have the school district come in on the 6<sup>th</sup> of June instead. Is there discussion?

PUBLIC COMMENT - None

### DEPARTMENTAL REVIEWS

#### **Public Works & Engineering: Waste Water (802)**

### Chairman Deane

The revenues start on page 217. Would someone like to give us an overview of the 8% increase in the revenues that is anticipated?

Mario Leclerc, Superintendent of Wastewater

Thank you. The increase in revenue is attributed to a rate increase that is a two-fold increase. We are addressing the volumetric use, which is the usage by residential, commercial, and industrial users, and the demand charge, which is the meter charge. The anticipated impact to residential customers is estimated to be at \$36 per year.

### Mayor Lozeau

That is that 15% increase that we just passed May 24<sup>th</sup>.

### Chairman Deane

And that is reflected on which line?

### Mayor Lozeau

In the sewer user fee line, 451.

Chairman Deane

It looks like it is less.

Mayor Lozeau

And the reason for that is if you look at the \$9,351,746 that was approved for FY11, we anticipated that is what we were going to see, but as we discussed earlier when we did the presentation on wastewater a couple of times, we did not realize the increase that we thought we would. We anticipate that increase will be actually closer to \$8 million. When you see the received as of line that at \$4.7 million now, we anticipate that is going to hit about \$8 million. In actuality the \$9.3 million is actually an increase over our actual received money versus last year's budget. That is why you see that discrepancy.

Chairman Deane

So that \$4,752,245 you think by year end is going to be around \$8 million?

Mayor Lozeau

Yes.

Chairman Deane

Okay.

Alderman Clemons

That still I would imagine doesn't describe what that 8% increase is though. I'm seeing that under Hudson Capital Revenue, the 481 line.

Carolyn O'Connor, Financial Manager, Division of Public Works

That is Hudson's capital contribution. They pay 12.58%. Based on our anticipated projects that they would take part in, that is what we think their return to us would be.

Alderman Clemons

Okay. Thank you.

Mayor Lozeau

Is it fair to say Carolyn that the 8% increase is attributed to those two things?

Carolyn O'Connor

I would say quite a bulk of it in Hudson Capital.

Chairman Deane

The 452 line, we are always doing comparisons, have we ever looked at what our actual costs are for connection fees, for doing the work itself?

Mayor Lozeau

Versus what we charge? Is that what you mean Alderman Deane?

Chairman Deane

Absolutely. When you get a dump truck out there with a pick up truck and a backhoe and what are we charging, what is our connection fee \$175 or something?

Mario Leclerc

Six hundred.

Mayor Lozeau

Mr. Leclerc do you want to address that, on whether it has been looked at and whether we are meeting our costs?

Mario Leclerc

Thank you Mayor. To my knowledge that was addressed approximately 8 or 9 months ago at a BPW meeting. Information was gathered, and there is always room for increasing our fees, but the street department is undertaking a greater responsibility in replacing some of those connections, and we are confident that is the right direction to go in.

Chairman Deane

The street department's issue is that they don't operate under the revenues they receive. These are revenues that are used to offset the cost of operations whereas the street department is solely funded through the tax based. If the street department is supplementing wastewater it takes away from the enterprise account to keep it true.

Mayor Lozeau

And the enterprise account should reimburse streets for its associated costs and you do that.

Mario Leclerc

We do that. Thank you Mayor. We reimburse the street department. We pay for the materials, overtime, pipe fittings, sewer castings, those type of materials are paid through the wastewater fund.

Mayor Lozeau

The question that Alderman Deane really wants to know the answer to, if I can speak on his behalf, he will correct me if I'm wrong, is the cost that we charge for that connection, does it cover the costs that we incur for that connection? Do you know that? If you don't know it say...

Mario Leclerc

I don't have the comparison. I apologize, I don't have that number.

Mayor Lozeau

Well you don't have to apologize, you didn't expect anybody would ask, but it is something we should look into.

Chairman Deane

Can we figure that out, what the real cost is? Granted everything is going to be different. Any time you dig a hole in the street you can run across different items.

Alderman Sheehan

Going back to Hudson; the first one was line 454 Hudson Sewer Fees, we have received \$132,574, it was budgeted for \$532,001. Do they true up at the end of the year?

Carolyn O'Connor

We do anticipate it coming in close to what we have budgeted. Currently we are at \$240,000. That has been received and we still have another quarter to bill.

Chairman Deane

You will be at 50% at 3/4 and you think you are going to pick up another 50% in the final quarter?

Carolyn O'Connor

I think they probably only billed out half of the year. The third quarter hasn't come in and then they will be sending out the last quarter. The last quarter goes out in FY12 and then is charged back.

Chairman Deane

So this number that Alderman Sheehan alluded to, what does that include just one quarter or is that half the year?

Carolyn O'Connor

Well I'm looking as of today \$239,000.

Mayor Lozeau

They are looking at the \$132,574 in their budget book.

Carolyn O'Connor

That would be one quarter.

Mayor Lozeau

Mr. Chairman I was a little distracted because the street superintendent was reminding me that we had looked at the costs associated with the street department versus a contractor, but the other part of that analysis we will be able to complete.

Chairman Deane

When we do that analysis have we factored in the benefits; pension, healthcare, and all of that stuff?

Mayor Lozeau

We have for Streets.

Chairman Deane

I remember looking at the analysis on the sewer line and when we looked at what companies were charging us and how it was less for the City to do it, but it looked like it was just straight up labor and material whereas the benefits associated with the positions didn't seem to be included in the total cost whereas if you hire somebody they have their insurance and the employee benefits and everything else that are all...

Mayor Lozeau

I remember that conversation now. I think one of the things that I had talked about was they were not employees that we were hiring outside of the scope of their regular duties so I am not sure that we did include that.

Roy Sorenson, Superintendent of Streets

Alderman Deane as part of that analysis you saw at the BPW presentation, it does include benefits for City employees. The one thing we didn't consider into that would just be overhead as far as wear and tear on equipment and things of that nature. We included the labor aspect to keep it apples to apples. If you take that out as far as we already consider that we are paying City employees, it is a no brainer at that point, the number of significantly lower. To keep the comparison and the analysis on par, we included that. The only thing not being is equipment depreciation.

Chairman Deane

I remember looking through that and didn't see that in there. I saw hourly rates and then I saw the tonnage cost and the lineal foot cost for pipe and all of the other things associated with the project, and I didn't see, as you had mentioned, the equipment costs and things like that. You have fuel and insurances...

Roy Sorenson

As we started this program we are adding it in. We started doing this last year. We created this system where we could track jobs better and keep an analysis on it. I will be doing a presentation again this year at BPW and we have come a long way as far as what else we need to put in that comparison.

Chairman Deane

When I look at that spreadsheet and I see a supervisor for the street department, that hourly rate includes his entire value for the hour that he is there, that includes all of his benefits, everything that...say someone makes \$25 an hour, but the benefits cost \$30 an hour so the total would be \$55 an hour for that person to be there...

Mayor Lozeau

Total compensation.

Chairman Deane

Total compensation?

Roy Sorenson

The next analysis that you get will show complete compensation moving forward. Last year we did two projects that we started out doing a cost analysis on, both of them being emergency projects. We put this cost analysis program together and it is obviously a work in progress and we are refining it as we go.

Chairman Deane

So the one I looked at earlier wasn't total compensation?

Roy Sorenson

No, I believe that was, was that Vernon Street or...I'm not quite sure.

Chairman Deane

I forget which.

Roy Sorenson

It was the first project we did so to say that we had all of our Ts crossed at that point, no. It was an emergency cave-in and we had come up with the philosophy that we were going to change the whole street out and just not do a band-aid job.

Chairman Deane

Okay. Thanks.

Alderman Sheehan

Thank you for fixing that and not band-aiding it because a couple of those have come up, and I think that lasts longer and costs less. But the number I just heard kind of threw me because we did used to use multipliers of a person's time in business to do true budgeting and I had it by job, and the highest one I want to say was 1.52 and the one that I just heard would have put it at more than 2 times the pay. We don't look anywhere near that for cost of our employees do we?

Mayor Lozeau

I think you would be rather surprised Alderman Sheehan when you put in total compensation what that rate might be compared to what people's take home pay is and what they see. I don't know that it is as high as has been described.

Alderman Sheehan

I appreciate that. It is usually, in government, I thought about 1.4 and in industry 1.6 and under for some of the heavy duty people. But the lower the compensation is usually the lower the multiplier. Could we get something like that as just a general blended...

Mayor Lozeau

Right in the front of your budget book.

Alderman Sheehan

...number for what the multiplier is? There is one?

Mayor Lozeau

Well in the front of your budget book there is a breakdown of how the costs break out and it includes what we anticipate for benefits and compensation. If you take a look on page 15 you can see across there; salary & wages, pension costs, total personnel costs, benefits cost % of salary, non-personnel. That is something we did new in the budget in 2008. It has been pretty helpful. You can see it by division and then by department.

Alderman Sheehan

Okay. So these are all under 43% or 46% is the highest one I am seeing. That is a little more in line with what other communities are doing according to this, benefit costs % of salary. Are there other costs that are not reflected in that or is that the entire benefit cost?

Mayor Lozeau

It should be the entire benefit cost. I'm not sure that I would take an oath and say that life insurance and some of those other things are in there or sick and vacation time, but healthcare and some of the bigger ones are.

Alderman Sheehan

Okay.

Mayor Lozeau

Again, as you hear often, we are moving towards a system that will enable us to really pull that out. This is our best attribution that we can do to date and much of it is just estimated.

Alderman Sheehan

Sure, but this is a lot more in line with what industry standards are over. Over 200% we would really need to do some looking. This is better. Thank you.

Mayor Lozeau

You are welcome.

Mario Leclerc

If I might add too Mayor if you looked at that comparison as well Alderman Deane, we were projected at 1/3 the cost of what it would be contracted. Even if you doubled that, we are still well below what that might have been had it been contracted out.

Alderman Cookson

Just a clarifying question; one page 16 when we look at that benefit cost % of salary, is that the average or is that true value of the benefits?

Mayor Lozeau

It is the best that we can attribute as it is run here, and you will see that benefit cost % of salary it changes all the way down depending on what the position is.

Alderman Cookson

Depending on what the department is or division is that right?

Mayor Lozeau

Both.

Alderman Cookson

So when you say depending on the position, could you give me an example of a position on page 16?

Mayor Lozeau

If you look at the Mayor's Office, okay it takes into consideration...

Alderman Cookson

What page is that?

Mayor Lozeau

Page 15, and I can look on page 16, you can pick any one. When I say based on position, that is where it starts, it is how many staff do you have, are they full-time, what their compensation is, and the numbers are from that. We roll it up and give it by department.

Alderman Cookson

Understood, but the question is is it an average or is it the actual percentage.

Mayor Lozeau

It is the actual percentage as close as we can get, estimating because our system doesn't really allow us to do this. This is our best estimate.



Alderman Cookson

Okay. Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

Are there any other questions in wastewater revenues?

Alderman Cookson

Let me get back to the page that we were at. I had a question about line 455, which is the Pennichuck sewerage fees. A slight reduction from \$132,613 down to \$124,250. I'm curious what contributes to that reduction in sewerage fees?

Mayor Lozeau

It is just the actual usage. Carolyn is that correct?

Carolyn O'Connor

Yes.

Alderman Cookson

So it has nothing to do with the potential...

Mayor Lozeau

Rates or anything else.

Alderman Cookson

...acquiring of the company?

Mayor Lozeau

Nothing to do with that at all.

Alderman Cookson

Alright. Thank you. The 702, the Revenue from Federal, the negative \$632,679 or is that revenue that we...how do you explain the \$632,679 in 702?

Mayor Lozeau

My understanding is it was dollars that we anticipated receiving that we didn't. Carolyn, Steve yes? Yes. As you know I have talked a lot about the State and Federal cuts that we have been withstanding within the wastewater system.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Alderman Sheehan

Two questions on that; was that because of just a straight across nobody is getting this money for or what didn't we get money for that we were anticipating?

Mayor Lozeau

I think everybody has seen a reduction. Any states that had projects like ours. Mr. Dookran do you know more about that than I do?

Stephen Dookran, City Engineer

I think it pretty much for us it is the State of New Hampshire who has suspended the reimbursement program for a number of years.

Mayor Lozeau

And they get the money from the Federal Government.

Stephen Dookran

But they get the money from the Federal Government. I don't know if other states are going through this process the same way as we are.

Alderman Sheehan

So it isn't anything we have done like with certification or anything?

Mayor Lozeau

It is no error on our part or anything.

Alderman Sheehan

Okay. The other question I had from before was line 461, Interest on Bank Account, projected \$10,000, negative \$2,127. That is really low interest.

Mayor Lozeau

We have lost millions of dollars in interest income.

Alderman Sheehan

So this isn't like an interest bearing account, this is like...

Mayor Lozeau

Some of our accounts are. I mean the majority of our accounts are, but...

Chairman Deane

The retained earnings used to be interest bearing, but you go to the bank and see what they are paying you for interest for letting them sit on your money, it is...

Mayor Lozeau

We have actually moved money into different banks right now that have some special interest rates so that we could take benefit of it. It is just ugly all over.

Alderman Sheehan

Thanks.

Chairman Deane

Are there any other questions?

Alderman Cookson

And we're confident enough to still forecast \$10,000 in the coming fiscal year?

Mayor Lozeau

It doesn't hurt us in this fund to anticipate that so we want to...hope springs eternal perhaps, but in the past it was not unusual for us. Depending on how it goes this year and the projects that are out there and funds that may be retained while we are doing work, it could increase.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

Any other questions in the wastewater revenues? Moving on to page 218, these are the wastewater appropriations. Mr. Leclerc do you want to walk us through this?

Mario Leclerc

Yes Alderman.

Chairman Deane

Thank you.

Mario Leclerc

I would like to briefly point out some of the major items affecting the budget, the proposed fiscal year versus the adopted FY11 budget. The payroll adjustments based on items delivered by our financial area is \$8,697. There is a small reduction in longevity, \$300, a modest decrease in our electrical usage, and that is due to our net metering project that is nearing completion, \$42,200, reduction in utilities for Gilson Road, office supplies a \$1,000 reduction in purchasing and stocking our office supplies, janitorial supplies a minor \$500 reduction and that is based on historical usage, postage reduction of \$150 based on historical usage, a \$40,000 reduction in diesel purchases. Diesel at the facility is not only for vehicles but also for auxiliary generation in the event of a major power failure. The utility is very reliable so we are using historical data. Reduction of \$1,000 in purchase of books based on historical usage, a \$3,000 increase in professional services, that is a contract for our CSO monitoring; a vendor monitors and records all of our data and maintains all of the meters.

The abandonment of the AVL service, \$2,000 savings, computer software \$930 increase, that is IT driven, repairs, hardware, that is nuts, bolts and those kind of items, historical usage, we are reducing by \$1,000, miscellaneous technical/electrical equipment a \$1,000 reduction again historical usage, increase in insurance based on items from finance, reduction in bonded debt based on better interest rates, increase in our capital reserve account, that is for equipment replacement or asset replacement at the facility. It is a \$381,000 increase, and that is based on an ever evolving assessment of what the equipment is, what it would cost to replace it, better understanding and more work was done into its useful life. That is increased also due to items of wet weather related activities. A \$150 reduction in travel, that is based on historical usage, and a \$2,000 reduction in conference & seminars, again based on historical usage. For a total impact of those items of \$367,260.

Chairman Deane

Have there been any changes in your 11 line pertaining to the percentages in which the employees that work in other areas of the division have been charged out?

Mario Leclerc

No sir, they remain the same as last fiscal year.

Chairman Deane

So the Public Works Director spends 20% of her time with wastewater?

Mario Leclerc

That is correct.

Chairman Deane

Are all of these positions filled?

Mario Leclerc

We presently have three vacant positions. I have an Operator II third shift, which we anticipate filling at the June BPW meeting, I have an Operation II first shift, which is an internal candidate that will be brought forward at the June meeting, and I have a Collection System Operator and the posting comes down on June 9<sup>th</sup>.

Mayor Lozeau

And you will see Mr. Chairman that the 13 two digit, the overtime, has gone up because of those vacancies.

Alderman Sheehan

The operators who plow during the day, how are those charged back to the enterprise fund?

Mario Leclerc

Carolyn is that a...

Chairman Deane

What was the question?

Alderman Sheehan

When 1<sup>st</sup> shift employees go over to do plowing in the winter, how is that charged back to the enterprise fund?

Carolyn O'Connor

I would have to look into the payroll. Yeah it is charged back?

Mayor Lozeau

Superintendent Sorenson is coming forth because he knows the answer to that question. The question was how are the snowplow operators from wastewater charged back to the wastewater account.

Roy Sorenson

As far as straight time or overtime?

Mayor Lozeau

Straight time.

Roy Sorenson

Straight time they would just be paid through the wastewater fund. They are just coming over to plow. Once we get into overtime we would cover that cost in the street department.

Mayor Lozeau

And that is the same for all departments versus overtime.

Alderman Sheehan

For line 33 – Water, you have \$45,000 this year and keeping it the same. Are you using less water because water we know is going up?

Mario Leclerc

The numbers that we have do not reflect the last billing. We had another \$8,000 bill so that would bring us around \$22,000. It is driven by the amount of wet weather activations that we have, and that is why there was a significant increase in last fiscal year's budget to address the increased water usage to cool pumps and seal water for our equipment.

Alderman Sheehan

Okay. Thank you.

Alderman Cox

How many summer interns are there?

Mario Leclerc

Four sir.

Alderman Cox

Thank you. Are they all filled?

Mario Leclerc

We anticipate hiring one in the next couple of weeks.

Alderman Cox

Thank you very much.

Chairman Deane

In your 52 – Financial Services, is that part of financial services outside auditing Mayor?

Mayor Lozeau

Their share of the cost yes.

Chairman Deane

So to make up the deficit in the overtime, where are we going to transfer the money from?

Mayor Lozeau

That is coming out of the 11 account where the vacancies are.

Chairman Deane

So the vacancies, do you happen to have a total dollar amount of what is available in the 11 lines?

Mayor Lozeau

No.

Carolyn O'Connor

No.

Mayor Lozeau

That is normally what happens if there is a vacancy in overtime as a result payroll money will be transferred to cover the payroll.

Chairman Deane

Anyone else have any questions up through page 222? That gets us into the Other Equipment. Superintendent, are we confident the chemical lines are going to remain flat this year?

Mario Leclerc

Yes sir. We just received confirmation from our four chemical vendors that two will hold the line for the next fiscal year and two are anticipating a 1-2% increase over this year's cost.

Chairman Deane

So they are not going to whack us with fuel charges and all of this other stuff?

Mario Leclerc

No sir.

Chairman Deane

And we have that in writing?

Mario Leclerc

I do sir.

Chairman Deane

Beautiful. Does anyone have any other questions pertaining to wastewater? Thank you.

**Solid Waste (801)**

Chairman Deane

Revenues are on page 208, which is the Solid Waste Department.

Mayor Lozeau

Mr. Chairman, joining us is our new Superintendent of Solid Waste, Mr. Marc Morgan. We anticipate this year's City contribution to be \$3,543,251. Last fiscal year it was \$3,928,190, which you see there. I know that is a question that you like to know the answer to. It is a bit lower than last year.

Chairman Deane

Thank you for thinking of me. I appreciate that. Can you explain to us why it is \$400,000 lower?

Mayor Lozeau

Because I think that we have done a pretty good job looking at the facility and cutting costs. Overall that is really I think what we can attribute it to, and there may be other specific operating items. They may come up as we go through the budget, but overall because costs have been reduced, which I am sure it would be nice for me to say that Mr. Morgan has already been in there and done a heck of a job, but I think that would be costs and savings attributed to the prior Superintendent who is, as you know, now our Director of Public Works, Director Fauteux who is going to work with Superintendent Morgan tonight to work on this budget as he has only been with us for a few short months.

Chairman Deane

Can someone speak to the sludge disposal revenue, 408?

Mayor Lozeau

The \$120,000?

Chairman Deane

Yes. Where is the sludge coming from?



Marc Morgan, Superintendent, Solid Waste

That material is coming from the City, Superintendent Leclerc's department, and that is a function of reduced flows and maintenance schedules.

Chairman Deane

I thought we weren't bringing sludge into our landfill anymore.

Marc Morgan

Forgive me, we are characterizing it, we are calling it sludge...

Chairman Deane

What is it grit?

Marc Morgan

It is grit or it is other materials that are lumped into that category. It is not for all intents and purposes sludge.

Chairman Deane

It is nothing that has gone through the digester that can be trucked up and put on farm land somewhere; this is the byproduct of...

Marc Morgan

Correct.

Chairman Deane

...and what have we done for a revenue transfer to date between the two different departments? Do we know? Because we are at \$39,000 at the end of March, two months later are we going to hit the \$120,000?

Mayor Lozeau

I think Carolyn is going to look up where she is today. And the question is do you think we will hit the \$120,000?

Carolyn O'Connor

No I don't.

Chairman Deane

That is kind of good in a way when you think about it because if you look at what is not flowing through our drain lines and ends up in the treatment plant that gets probably attributed to street sweeping and all sorts of other...

Carolyn O'Connor

It is \$44,662.60 to be exact.

Mayor Lozeau

And we can look to next year to change the name sludge in there so it better depicts what we are talking about.

Chairman Deane

So if we are not going to hit that, why would we budget \$120,000?

Carolyn O'Connor

Just looked at our historical numbers, but...

Mayor Lozeau

Well we make the best estimates we can. If it doesn't happen it...

Chairman Deane

So that is not going to reflect in any transfers that are needed right from the general fund if we don't meet that \$120,000 revenue figure?

Mayor Lozeau

It shouldn't.

Carolyn O'Connor

No it shouldn't.

Chairman Deane

Does anyone have any questions?

Alderman Cox

Has wastewater been instructed to shift some of their sludge disposal because I see their cost is \$700,000 for sludge disposal for the year?

Marc Morgan

As was mentioned, we don't receive any sludge at the facility for disposal or processing.

Chairman Deane

It is contracted out.

Alderman Cox

But the other matter, have they been instructed to even move the other matter to somewhere else instead of...

Marc Morgan

No.

Chairman Deane

No. We would end up paying a tipping fee wherever we would take it. But the removal of the sludge has been contracted out to a firm. They bring their trucks in and they back them up once it has gone through its process, and they haul it out whereas back in the old days we used to haul it to the landfill.

Mayor Lozeau

And as our process gets better and we are able to dewater better, our costs associated with its disposal is less. We are making strides there.

Alderman Cox

Very good. Thank you.

Chairman Deane

The tonnage will be down because of the dewatering process and then the digester process, and it turns it into a better product.

Mayor Lozeau

So to speak.

Alderman Cox

As good as sludge can be.

Chairman Deane

That digester was a good investment.

Mayor Lozeau

Superintendent Morgan if you want to give highlights of your budget, but do it per two digit so that people have a chance to step up instead of all of it at once.

Chairman Deane

Everybody is all set with the revenues? Then we will start sir on page 209. I know this is your first truck through this. If you would like to walk us through your 11 lines and right on through and highlight the areas.

Marc Morgan

On the 11 lines, the payroll adjustments to the amount of \$12,327 is primarily due to merit employees raises and a position change at the landfill where a collection equipment operator was changed to a landfill equipment operator. The 17 for longevity some moderate \$600 increase...

Mayor Lozeau

Okay why don't you stop there and see if they have any questions on payroll?

Chairman Deane

He can walk us through this right now to...why don't you walk us through the first three pages and we will stop for a second and see if anybody has any questions and then we will continue.

Marc Morgan

Sure. 32 – Electricity, there is a small drop, \$150 drop, and that is based on historical usage. Similar for water as far as historical usage, but it is a slight increase of \$127. Heating Fuel again is based on historical and that is an increase of \$2,128. The last utilities piece there is for Gilson Road, a decrease of \$3,000.

Chairman Deane

Does anyone have any questions?

Alderman Pressly

Could you tell us a little bit about Gilson Road, what the costs are and what has to be done there?

Chairman Deane

Nothing. It is an empty building. Well it is not an empty building; it is a building that the City purchased from the State for \$1...

Alderman Pressly

I know all of that, but it keeps showing up so...

Mayor Lozeau

It only shows up Alderman Pressly because once you put an item in the budget it has to be in the budget for like a two year cycle before it can be removed.

Mayor Lozeau

Okay, but what about the land? We still own the land do we not?

Mayor Lozeau

We only own the land that the building is on. We do not own the land that is being monitored. The State has retained ownership of that.

Alderman Pressly

Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

I don't think we would want to own that. The liability is there.

Alderman Pressly

No I don't, that is why I...

Mayor Lozeau

I think that was your point.

Alderman Pressly

That was why I asked.

Chairman Deane

Okay.

Alderman Sheehan

I couldn't find in revenue where the stickers line was for revenue, and I know that we had raised sticker fees.

Mayor Lozeau

No we didn't.

Marc Morgan

We have not raised sticker fees.

Mayor Lozeau

We tried.

Alderman Sheehan

We did try.

Mayor Lozeau

But we were not successful. It is still \$5; it has been \$5 a long time.

Alderman Sheehan

Which line would it be under? That is a good deal, but again in the interest of is it self...

Marc Morgan

Forgive me, but it is not a specific line. There are two numbers that go into that and it is residential and commercial numbers. The residential number is about \$42,000 to \$45,000 for FY11 thus far as far as revenue collected. The commercial hauler permits are about \$55,000 so far. But it is not outlined specifically within the budget presentation.

Alderman Sheehan

Shouldn't it be where it is revenue?

Mayor Lozeau

I want to say that we have it in another location.

Alderman Sheehan

Okay. Thank you.

Chairman Deane

I guess we will find that. Do you want to continue please?

Marc Morgan

Thank you. Jumping ahead to 43 – Postage, we do have an increase of \$3,448 and that is based on historical actual use of postage and purchasing guidelines. Line 45 under gravel is a reduction of \$10,000. Line #48 for fuel is an increase of \$13,000...

Alderman Cox

Could you just explain briefly there because nothing has been expended in any other line except for gravel, 98 has been expended and it is going to zero?

Marc Morgan

Is your question in regards to gravel or the whole section?

Alderman Cox

How the \$10,000 for gravel & cover systems, which is the only one that had \$9,800 expended, is able to go away?

Marc Morgan

We have adjusted the way that we manage soils on site and we are actually receiving soils from offsite for use as cover materials. We are not having to pay out to purchase gravel products. The other items within that section are projects that are to be completed by the end of FY11. That is why there is nothing in there currently. Moving forward in FY12 as far as not budgeting for that item that is because we are not purchasing that material.

Alderman Cox

Thank you.

Marc Morgan

Thank you.

Chairman Deane

Aren't we garnering revenue for alternative daily cover?

Marc Morgan

We are at the moment.

Chairman Deane

But the gravel is used for roads or firming up different spots or...so the alternative daily cover would be found on line 420. Last year there was nothing budgeted and there was \$51,618 that we brought in?

Carolyn O'Connor

That is correct.

Chairman Deane

That is mostly ground up buildings and whatever else, wood.

Marc Morgan

It is a variety of cover products. It is a variety, as you mention, of construction and demolition debris, processed material as well as soil products.

Chairman Deane

And that comes mostly from Salem? Is that where it comes from?

Marc Morgan

From a variety of locations.

Chairman Deane

Okay.

Mayor Lozeau

Mr. Chairman I think I have the answer to Alderman Sheehan's question.

Chairman Deane

About the stickers?

Mayor Lozeau

Yes. On the revenue page in the City municipal solid waste, that first line, the \$2.5 million, I think it is included in the tipping fees, the residential fees, the commercial fees, it is all in that line item. I see the Director nodding her head.

Lisa Fauteux, Division Director, Division of Public Works

Yes.

Mayor Lozeau

I knew that I knew the answer and I was trying to remember why it wouldn't be broken out.

Chairman Deane

What is the three-digit on that?

Mayor Lozeau

It is 402. It should all be encompassed there.

Chairman Deane

And maintaining the sticker fee at \$5 can be found on line 749 and the contribution is \$3.5 million. That is why our sticker fees are only \$5.

Mayor Lozeau

Exactly.

Alderman Sheehan

Right.

Mayor Lozeau

But she did want to know where that \$5 was.



Alderman Sheehan

I wanted to see if there was a reflection. For some reason I thought it did pass, so I wanted to see if there was an attrition of people not getting stickers and leaving their trash out.

Chairman Deane

If you would like to continue sir.

Marc Morgan

Thank you. Number 49 under Crime Prevention & Safety Supplies, there is a savings of \$25,000. That is an anticipated savings with a new vendor. Under 53 for Engineering Services, we have a cost of \$30,000, an increase. I can stop there if anybody has questions.

Chairman Deane

Your 53 line basically is all of the monitoring that has to be done for all of the former landfills.

Marc Morgan

Right. And those are all increases. The Shady Lane O&M costs increase of \$3,000, again 53 under Lincoln Park O&M an increase of \$6,000, the old Nashua landfill operating and maintenance costs an increase of \$10,000.

Chairman Deane

Why is there an increase?

Marc Morgan

Some of these old landfills have had monitoring and maintenance systems in place for 20+ years and they need to be seriously looked at. There is some equipment that may need to be purchased and things of that nature.

Chairman Deane

So the engineering services is that \$30,000 increase, are we going to hire somebody to go out and tell us what equipment needs to be replaced and upgraded in the different areas? How are we going to handle that?

Marc Morgan

The \$30,000 you are referring to in the engineering services is a separate line item for other monitoring at the landfill as well as the old landfills. We are an extremely regulated facility. There are a number of groundwater monitoring regimens that take place. The Federal Government has increased some of the air monitoring regulations. There are a variety of increased regulatory burden on the City and that is where that \$30,000 comes in.

Chairman Deane

I understand that, but who is going to tell us what we have to do? Say we have to go to Shady Lane for instance and upgrade some of the components that do the monitoring, who is going to do that?

Marc Morgan

We will be working with in-house engineering services as well as consulting services to review those facilities.

Mayor Lozeau

I think the Director would like to also add on to that.

Lisa Fauteux

Kerry Converse monitors all of the closed landfills very regularly Alderman Deane and he keeps track of what needs to be replaced. We had a pretty significant failure at Shady Lane this year and Superintendent Leclerc was able to help us and we were able to get it back on line, but we are anticipating that we are going to need to do some significant upgrades in the next year on some of these systems so we are watching them closely. We are not going to upgrade them unless we need to, but we need to be able to react quickly if they do fail.

Chairman Deane

So it is aging equipment...

Lisa Fauteux

Aging equipment.

Chairman Deane

...outside of increases in regulatory requirements?

Lisa Fauteux

That is correct.

Chairman Deane

Okay. Thank you.

Marc Morgan

Moving on to the 59 account, the AVL service there is a decrease of \$10,000. 77 account repairs, major vehicles & equipment, a reduction of \$45,000. The insurance #83 is an increase of \$64,322. The last one we have here is 85 – Bonded Debt, a reduction of \$64,903.

Chairman Deane

It is down a few dollars. Is there any anticipated bonding for solid waste this year Mayor, this upcoming year that you know of?

Mayor Lozeau

I think we had the closure already taken care of for that bond and the expansion, no I don't see any coming for this year.

Carolyn O'Connor

No we do not.

Chairman Deane

None?

Carolyn O'Connor

None this year.

Chairman Deane

I love hearing that for an answer.

Alderman Wilshire

Thank you. I know I asked this question last year and I'm going to ask it again this year, about the replacement of the totters and what our plan is going forward. I see there is only \$5,000 in the budget, and that is not going to buy enough totters for the City. I'm wondering if someone can tell me what the plan is to replace those, and I also want to throw in there the recycle bins and if there is a plan to expand the use of the totters for that program.

Mayor Lozeau

What we are doing right now, our current totters are in pretty good shape so we don't need to do a wholesale replacement, and this is really a good number for it. The more interesting question of course is going to the recycle totters, which we have been doing in the City in different locations, testing them out, using that system. We anticipate to put the whole City on a recycling program with totters to be about \$2 million. We're not able to do that right now. I have some ideas about how I would like to do that, but for right now it is not something that we can do.

But we are looking at getting a front load truck so that we can replace all of our dumpsters that we have throughout the City like at City Hall and many municipal buildings and all of the schools where we have the dumpster that we have to either throw a chain on to pull it up to dump it or to actually go pick it up, pull it up onto a truck, bring it someplace, dump it, and bring it back to the schools. We are budgeting in CERF to purchase a frontload truck to be able to do that kind of work and replacing those dumpsters. That is the best that we are going to be able to do this year. That is a goal of ours, it has been a goal since I got here and I know some of you had that goal before I got here. We would like to do that.

One of the things we are looking at is whether or not it makes sense to be able to find a way to roll it out where people could buy the totters so we wouldn't have to put that money out there because we do think there are people that would be willing to pay to buy the totters. We have had people do that. If we made that available sort of by area in the City so that we could see if we could get enough people to make it worthwhile to do that, and that is one of the things we are looking at now, how could we do that and could we afford to make that happen sooner rather than later. If that approach gets us to move forward we may be taking that and bringing it to the Board of Public Works and then here.

Alderman Wilshire

I know people have asked me about the totters for the recycling and I have said well I will ask at budget, it seems to be a good time to ask the question. Did you tell me I think last year that the life expectancy of the totters that we have now is ten years?

Mayor Lozeau

I think it was at least ten years, the ones that we have now.

Lisa Fauteux

They are in great shape.

Alderman Wilshire

What is the life expectancy though? What can we expect?

Lisa Fauteux

Ten to fifteen years probably, but they are in great shape and we really don't need to...we have been replacing some lids and wheels and things like that, but other than that they are really in good shape.

Alderman Wilshire

And how old are they?

Lisa Fauteux

I think they are coming in on ten years.

Alderman Wilshire

That is what I thought. Thank you. Thank you Mayor.

Mayor Lozeau

You are welcome.

Alderman Sheehan

I have quite a few questions. On 64 we kind of like flew through this page. Just to back up a little bit, under 64 – Other Equipment, Miscellaneous Equipment there was \$10,000 budgeted and \$18,370 was spent.

Marc Morgan

Yes.

Alderman Sheehan

Could you talk about that?

Marc Morgan

That number is from some office equipment. There is an example of it...

Lisa Fauteux

Do you want me to speak to that Marc?

Marc Morgan

Could you?

Lisa Fauteux

The Mayor, it was important that she felt that we did a great job recycling in all of our municipal buildings so that money was spent to buy totters and recycling bins and recycling baskets, that sort of thing for other municipal facilities. That money actually wasn't only incurred by solid waste it was incurred by the individual divisions who are using them.

Mayor Lozeau

We actually had some buildings without them.

Alderman Sheehan

Okay. I'm a fan of recycling. That is my thing. The other thing I'm going to kind of go in the other direction for, non-payment or low budgets because I got an unusual phone call this morning from someone who lived on a road and it took them a while to figure out why they had an oil puddle in front of everybody's house every week, and they figured out that it is the trash truck that is leaking oil. I'm seeing here, and the woman said are they not doing repairs and I said I'm sure they are you know machines will break. But I'm looking at the repair bill and repairs major, major vehicles & equipment, we haven't even spent half of that, we haven't spent half of maintenance, tires & tubes, or repairs miscellaneous we haven't even spent 1/3.

Chairman Deane

Those numbers are 3/31 though. I bet if we got updated numbers they might reflect.

Carolyn O'Connor

The most recent inspection cycle isn't in here Alderman Sheehan.

Marc Morgan

Which would add to that number.

Alderman Sheehan

I called it in so that whoever is doing that route at least it can be looked at because apparently they were like record player album sized puddles in front of each person's and every week they are out there cleaning them out. One of the trucks has a significant leak, but I would think that you would see that when it was parked at night as well.

Lisa Fauteux

I am sure Superintendent Morgan will look into that.

Marc Morgan

I will look into that.

Chairman Deane

Unfortunately there is a considerable amount of hydraulics on those trucks and that is what makes them work and you are going to have ...when you look at those vehicles, what breaks on those vehicles more than anything else? The arm right and the hydraulics with the arm?

Lisa Fauteux

It depends on what type of...hydraulic lines, we blow them significantly.

Mayor Lozeau

I think Superintendent Sorenson wanted to come up and share something as the keeper of the vehicles.

Roy Sorenson

I would just say Marc is new to the City. The trucks are aged quite significantly as we all know, and one of the most common problems with them is hydraulic line. Just from the wear and tear and everything being loose in them, they go quite a bit. Unfortunately we do see some of those puddles on the road, but they are being repaired it is just a matter of the trucks have outlived their expectancy at this point.

Alderman Sheehan

Have we looked at putting like a pan under it to catch any of that if we know it is an ongoing issue leaving a mess?

Roy Sorenson

It is constant moving parts and hydraulics, the pumps are constantly going. That wouldn't really be a solution for that.

Mayor Lozeau

A solution is the 9 new vehicles that we are ...

Alderman Sheehan

Okay...

Mayor Lozeau

...and the older ones will come out of the cycle, but we will still have...

Chairman Deane

Don't think for a minute that those 9 new vehicles aren't going to leak anything.

Mayor Lozeau

Oh no...

Alderman Sheehan

They better not.

Alderman Cox

It is just the reality of it.

Chairman Deane

There is a tremendous of heat, a tremendous amount of pressure, and the moving parts...

Alderman Sheehan

That is understandable.

Mayor Lozeau

But not as much as ten year old vehicle or a twelve year old vehicle.

Lisa Fauteux

Or a twenty year old vehicle.

Mayor Lozeau

That too.

Alderman Cookson

Can I ask a follow up on that exact same question?

Chairman Deane

Sure.

Alderman Cookson

Thank you. As you are aware of hydraulic leaks, is there an inspection by the driver of the vehicle prior to going out and coming back to identify what may be leaking, where it is leaking, and what needs to be repaired and fixed?

Marc Morgan

We work very closely with Superintendent Sorenson and the fleet maintenance group. As leaks are identified they are notified and then the vehicles are put into some sort of service maintenance program at that time. As leaks occur staff, as we are aware of them, we will go out and clean up hydraulic leaks or spills, things of that nature. Drivers are to be communicating that to not only the foreman and myself, but also to the fleet supervisor as well.

Alderman Cookson

Those are part of the expectations of the driver as they enter and exit a vehicle to inspect the vehicle for such...

Mayor Lozeau

As they start their day and end their day they are responsible to examine their vehicle. At the beginning of the day and when they close out their vehicle at the end of the day, the driver is responsible for light maintenance; oiling certain joints, cleaning the vehicle, that sort of thing, and they are also responsible to notify of any deficiencies in that vehicle, yes.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Alderman Sheehan

The guy in my neighborhood is doing a great job so I have a good team there. If you could pass that back they do a very nice job making sure, it is a very narrow street, making sure there is room after for vehicles to get back down and I think that, especially in the winter time, is most appreciated.

Marc Morgan

I appreciate that. Thank you.

Alderman Sheehan

You are welcome.



Alderman Cookson

Thank you. I have just a couple of questions. We started talking about recycling and it made me remember that I did have a question about the recycling coordinator and some of the responsibilities of the recycling coordinator, and if you could explain the responsibilities so that it includes the responsibilities of recycling sales and how those are overseen by this recycling coordinator?

Marc Morgan

Sure. The recycling coordinator for the City of Nashua is Sally Hyland. What Sally does is she coordinates loads. Currently the City of Nashua uses single stream for curbside collected recyclables. There is a variety of other materials that are managed at the facility, not for disposal, but for either beneficial use or recycling, and those fall under Sally's purview as well. She works with, our current single stream vendor is. Integrative Paper Recyclers and what they do is they pick up our material twice a day, manage that material at their facility for recycling purposes. Other items that she oversees are electronic waste, antifreeze, used oil, fluorescent bulbs. She helps coordinate household hazardous waste events in the region and those types of services as well as answering a variety of questions from residents regarding recycling.

Mayor Lozeau

And doing programs in the schools.

Marc Morgan

Exactly.

Alderman Cox

And at the landfill.

Alderman Cookson

Could you speak about the recycling sales? Is that under her purview as well?

Marc Morgan

It is, and currently the single stream is under contract. She does overview that. To say that it is sales necessarily I think would be an inaccurate term in this regard.

Mayor Lozeau

Wishful thinking.

Alderman Cookson

Let me rephrase my question. On page 208, where it talks about solid waste disposal, the operating revenue, line 403, recycling sales, received \$5,212 to date. What is that?

Marc Morgan

That is predominantly used oil and other items that we are able to technically sell and metals and things of

that nature. The single stream recycling there is a cost to processing it so that is why it is difficult for me to call that sales, but that item there, forgive me for not understanding the question, is predominantly used oil and things of that nature.

Alderman Cookson

Can you speak to compost bins and...is that part of recycling sales as well?

Marc Morgan

It is not. That is a project that is overseen by the Garden Club if I'm not mistaken and Sally assists the Garden Club in that distribution so it is through our structure I guess you could say, but it is not through this department, it is just a ...

Alderman Cookson

And that is not a revenue stream for...

Marc Morgan

For us no.

Alderman Cookson

...solid waste, that is purely the Garden Club.

Chairman Deane

It is a revenue stream for the Garden Club. They work with Sally and the composting and everything else they do down there.

Alderman Cookson

Thank you. That answers my question. I had one additional question and that was around or about motor vehicle repairs & maintenance and it was more of a general question. I was curious, how many divisions or departments within the City have their own motor vehicle repair & maintenance?

Mayor Lozeau

The police, fire, schools, the rest we do. I don't think I missed any. I think that is right. That is correct.

Chairman Deane

The park department has right?

Mayor Lozeau

It falls under streets. It goes to the street garage. But police, fire, schools have their own.

Alderman Cookson

They have their own specialized vehicles and that is why we wouldn't necessarily have the work done by our fleet?

Mayor Lozeau

One of the things that we have looked at, I think I mentioned it already during the budget cycle, is looked at whether or not we wanted to try to operate our streets garage more like a business where vehicles come in, just like if you brought your car to a dealer or a shop and they would break things down. We are looking at whether or not that makes some sense for the City to attribute costs and that sort of thing. When looking at that we will look at the other departments, but for now it has worked relatively effectively the way that we have it now, and we don't have the capability to change it right now.

Alderman Cookson

Okay. Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

59178?

Marc Morgan

AVL Service.

Chairman Deane

Are we done with that?

Mayor Lozeau

Yes.

Chairman Deane

We are done with it?

Mayor Lozeau

Yes.

Chairman Deane

What was our initial investment in that?

Mayor Lozeau

We looked at a contract ...

Chairman Deane

We had to buy all of the phones right?

Mayor Lozeau

We did, but we are in negotiations with the provider right now because of how the system worked and/or didn't work. It is hard to really give you a solid number on that because we are looking to see what we are able to recover. I would anticipate in the final analysis it will probably be about \$20,000.

Chairman Deane

And when was the last time we utilized it?

Mayor Lozeau

Probably a couple of months ago. There were some departments that were able to use it more effectively than others.

Chairman Deane

It is going to be out of the entire division altogether?

Mayor Lozeau

It is.

Lisa Fauteux

Yes.

Chairman Deane

What are we going to replace it with, anything?

Mayor Lozeau

Good management.

Chairman Deane

Are there any other questions of solid waste?

Mayor Lozeau

She is asking...there is that squeaking noise, which all of you are probably hearing. It bothers some of us

more than others, but our building manager is in here for his budget tonight so he got to see my face and he is off looking to see if he can find what that squeak is.

Chairman Deane

Are there any other questions of 801? Thank you sir.

Marc Morgan

Thank you.

Mayor Lozeau

Thank you Superintendent.

### **Public Works & Engineering (551)**

Chairman Deane

The revenues start on page 45. Those are the yellow pages. I'm sure Mr. Dookran will give us an overview of the millions he plans on bringing in in revenue.

Stephen Dookran

Thank you Mr. Chair. Let's see if we can get more millions out of these few lines. No big changes in the revenues except for the labor reimbursement for Rt. 101A. We have budgeted \$11,250. The current fiscal year it is \$9,300. We had not done any significant work in the project development of that corridor simply because we spent most of the year deciding how to get the project underway. The project estimate currently is much higher than the available budget, which is all being paid for by State and Federal dollars. We are at the point where we are now finalizing a proposal for final engineering. When we get the final agreement on the numbers from the State, the dollar numbers, we will move forward with project development so we hope to cash in on some of that reimbursement in the coming year.

Chairman Deane

Does anyone have any questions?

Alderman Sheehan

I think I'm jumping again, but...

Chairman Deane

We are on page 45.

Alderman Sheehan

Yes I am. The DPW Labor Reimbursement for Rt. 101A project, is that iffy that might happen with the sunset clause on the \$30 registration? Is that one of those items that might be affected?

Stephen Dookran

A few months ago the State did issue us some kind of a cautionary message that several projects are in limbo and this was one of those, however, I believe the State is starting to finalize the final position on some of these projects. The latest is that this one is going to go forward, but what we don't have is that exact funding number. As I mentioned, the project is estimated is much higher than the available budget is so we had to come in with a smaller project, which we want to move forward with. We expect to start final design in the coming year and we will be able to get some reimbursement on our participation. Staff's involvement including mine, will be reimbursed.

Alderman Sheehan

Thank you.

Chairman Deane

Are there any other questions in this area? The appropriations start on page 136.

Stephen Dookran

Mr. Chair if I would just summarize...

Chairman Deane

You have the floor. Go ahead and walk us through this.

Stephen Dookran

...the changes. We have a relatively small budget and we were able to come in at a reduction of 1.7%. The major changes come from payroll. We have a reduction of \$14,000. We had replaced a position at a much lower salary, and gained a reduction there. Electricity, based on the new supplier and historical costs, we were able to reduce that by \$1,300. Water, small amount, went up by \$200. Postage we have a small increase of \$30. For computer software we added an additional license. When we filled that position that is \$820 for that license. We have in equipment rental for a new copier lease, that cost us another \$1,000, and the maintenance of that new copier as well is \$500. A total reduction of \$13,000 representing again 1.7% decrease overall.

If you want, I can go through the double digit lines. The only change would have been what I said earlier, with the hiring of that engineer. I will let you know we have 14 employees, some fully paid out of 551, some shared with the enterprise funds. That is why if you look you will see the varying numbers not representing some of the salaries.

Chairman Deane

You show 11.10 employees.

Stephen Dookran

That is correct. That is equivalent full time, but total persons would be 14. Lien 13 – Overtime, we are right on target. We are keeping that budget. Line 18 is the Board of Public Works stipend, no change to that. 31, telephones and pagers, no change to that. Electricity, 32, a small decrease as I mentioned earlier.

Water, an increase of \$200, line 34, natural gas, the reason we have a small year to date we believe is there might be some meter reading issues. We have notified the Natural Gas company and they are coming out to look at it. In the past years, we have spent between \$2,500 and \$4,000 so we believe that budget number is appropriate, however, we don't have a good year to date simply because we do have a ...

Chairman Deane

Has the City locked natural gas yet?

Mayor Lozeau

Yes I think we locked in natural gas. I'm pretty sure.

Chairman Deane

And we locked in...

Mayor Lozeau

Yes natural gas we did.

Chairman Deane

What about electricity?

Mayor Lozeau

Basically we did. We have a distributor this year. We anticipate our price to be lower, but we didn't lock it in at a certain...

Chairman Deane

You didn't lock you are on a variable?

Mayor Lozeau

We locked it...

Chairman Deane

Who are you with, Metro Media?

Mayor Lozeau

No, Constellation.

Chairman Deane

Please continue.

Stephen Dookran

For 41, office supplies, there is no change, 43, postage there is a \$30 increase, 46, work clothing, no change, 48, gasoline, no change, 49, books & publications no change, 49 miscellaneous supplies, no change. In 61, office furniture, no change, 62, office equipment, no change, 64 computer software, an increase. We added a license for AutoCad and then went up by \$820. In 64 surveying equipment, no change, 66 miscellaneous equipment rental that is an increase because of the new copier, 72, the maintenance contract on that copier is an increase as well of \$500. Line 74, repairs, surveying equipment, no change, 75, maintenance, general buildings and grounds, no change, line 78, vehicle maintenance, no change, 91, local travel and fixed rate travel, no change to those two items.

Chairman Deane

The fixed rate is contractual right with the inspectors?

Stephen Dookran

This is contractual.

Chairman Deane

Okay.

Stephen Dookran

Line 94, conference & seminars and educational assistance, no change to those lines, line 95, membership dues and subscriptions, no change.

Chairman Deane

Does anyone have any questions of Mr. Dookran?

Alderman Cox

Just on the utilities, is the studio in the back of the building metered separately?

Stephen Dookran

Yes I believe that is the case.

Mayor Lozeau

Yes it is.

Alderman Cox

Thank you.

Mayor Lozeau

You are welcome.



Chairman Deane

Are there any other questions of Mr. Dookran? Thank you.

**Park & Recreation (552)**

Chairman Deane

The revenues start on page 46 in the yellow pages.

Nicholas Caggiano, Superintendent, Parks & Recreation

Good evening.

Chairman Deane

I was looking at your revenues. Before you go over them, can you update us on some of these like the baseball registration fees?

Nicholas Caggiano

I have some information from last Friday so it is pretty current. We are at about 92.8% of our revenue goal for this fiscal year. We have to raise a remaining \$15,571 to hit our goal, which I am very confident we are going to do. We still have camp registrations flying in. I'm expecting some concession payments from the Silver Knights. We are pretty filled up with swimming lessons there are a few openings left. I'm pretty confident we are going to hit or possibly go over a little bit in our revenue goal.

Chairman Deane

So the Holman Stadium fees that \$15,572 that includes the check that we got from the Silver Knights?

Nicholas Caggiano

No it doesn't. The check from the Silver Knights went into a special revenue account that the board created in order to help promote future civic events.

Alderman Sheehan

Was it the carnival?

Nicholas Caggiano

The carnival also went into the civic events account.

Mayor Lozeau

They are interested in knowing where that \$15,000 that is in there came from from Holman Stadium. We could let them keep guessing, but you could just tell them, that would be good.

Nicholas Caggiano

That \$15,000 came from the revenues that we generated managing the stadium from last July 1<sup>st</sup> through year to date. It was what we made in July, August, September of last year at the stadium. Sorry I didn't understand.

Alderman Sheehan

That is alright.

Mayor Lozeau

That is why we work like a team.

Chairman Deane

So what is the current number for 3/31? Do you have that?

Mayor Lozeau

The baseball registration fees, do you have that separate?

Lisa Fauteux

It is \$5,220.

Chairman Deane

Does anyone have any questions of Mr. Caggiano in his revenue area? Being none, we will go to page 140, and that is appropriations. I don't think you have to be as detailed as Mr. Dookran was, but I think if you would like to walk us through the lines.

Nicholas Caggiano

Sure.

Chairman Deane

Thanks.

Nicholas Caggiano

We are looking at an overall budget cut of 2.6% over last fiscal year. The major components or those highlighted items would be in the 11 line you are going to see a budget impact of \$8,286 to pay for payroll increases. In the 17 line you are going to see a reduction in longevity of \$900. That is due to some transfers that occurred of some very tenured employees.

Chairman Deane

What line was that 17?

Nicholas Caggiano

1700 lines.

Mayor Lozeau

Longevity pay is down by \$900.

Nicholas Caggiano

It is down by \$900. The 31 line, telecommunications, is down by \$500 due to one less cell phone. 32 line, electricity, has been increased \$3,000 based on the rates we are getting and some additional facilities that have been put online this year. The 33 line, water, is up \$4,191. The 45 line, beautification, we have reduced by \$500. The fuel line, the 48 line, is going to be increased by \$3,242 based on usage and the rates we are expected to receive. The 59 line is going to be reduced, AVL services and equipment, by \$7,200 due to the elimination of that program. The vehicle line is being reduced by \$80,000 due to the consolidation of vehicle purchases with CERF, through CERF. AVL equipment installation is going to be reduced by \$500, again due to the elimination of the program. The 72010 line, maintenance contract for the photocopier is being reduced by \$52 based on historic use. The 94005, conferences and seminars is being reduced by \$400. Memberships and dues, the 95005 line, is being reduced by \$1,000 bringing our total reductions to \$72,333 over last year.

Chairman Deane

The Crown Hill Pool repair, is that just miscellaneous for those areas like filtration and stuff like that because they are putting a liner in right?

Nicholas Caggiano

We pull out things and use filter parts, plumbing parts, sometimes you have to replace a lifeguard chair. They have to be inspected and you have to make sure, sometimes we will have to buy a new backboard or some new lifeguard supplies, things like that.

Alderman Sheehan

Are the repairs to Sargent Ave. in the bathrooms this year? I know one of the bathroom stalls was broken last year.

Nicholas Caggiano

It will be.

Alderman Sheehan

Thank you. The other thing I know that we have something pending. Is that not reflected in the budget yet where we are looking at funding some park improvements?

Mayor Lozeau

The park improvements wouldn't be in this budget because they are coming out of CDBG.

Alderman Cookson

Thank you. I will start with 12, your payroll part-time. I had a question about your pool coordinator, pool guard, head guard, super pool, and swim instructors. Curious, how long do those lessons last?

Nicholas Caggiano

They will start the end of June and there are three sessions. They will last through mid August.

Alderman Cookson

And how many swim instructors do you have?

Nicholas Caggiano

Six.

Alderman Cookson

How many lifeguards?

Nicholas Caggiano

Eleven.

Alderman Cookson

Pool coordinator?

Nicholas Caggiano

One.

Alderman Cookson

Headguard?

Nicholas Caggiano

Three.

Alderman Cookson

Super of pools?

Nicholas Caggiano

Three.

Alderman Cookson

How many children do you interact with over those three sessions?

Nicholas Caggiano

For just the swimming lessons not the daily use, off the top it is close, I would say about 600 children are put through our swimming sessions for the summer.

Alderman Cookson

Do your swim instructors have to be certified in some program?

Nicholas Caggiano

Yes.

Alderman Cookson

What program is that?

Nicholas Caggiano

Red Cross. You will see it is a budget line. Further into the budget you will see Red Cross fees for recertification.

Alderman Cookson

Okay. And that would be for your lifeguards as well?

Nicholas Caggiano

All pool personnel have to be certified.

Alderman Cookson

All personnel go through Red Cross.

Nicholas Caggiano

Yes.

Alderman Cookson

Have we ever looked at or considered partnering with another organization that offers similar services such as lifeguarding and swim instruction or have we always just offered it ourselves as a City program?

Nicholas Caggiano

As far back as I can remember and what I have been told in the past, it has always been by ourselves; we have always offered it through our programs.

Alderman Cookson

What are the fees associated with that?

Nick Caggiano

It is \$25 to put a child through the swim lessons.

Alderman Cookson

Per session or...

Nick Caggiano

Per session.

Alderman Sheehan

Twenty.

Nicholas Caggiano

Actually it is \$20, I'm sorry.

Alderman Sheehan

And it caps out at \$45 if you have 3 kids or more.

Chairman Deane

I have been overpaying.

Nicholas Caggiano

We don't offer refunds Alderman Deane.

Alderman Cookson

We have seen the revenue projections. We need all the money we can get.

Nicholas Caggiano

I won't go through a lot, but I will say that the program is very highly regarded. Our aquatics program has run a pretty significant State award in years past from the State of New Hampshire. It is a pretty good value for your dollar.

Alderman Cookson

Excellent. Thank you. I had a question about your 98 – Transfer to the Expendable Trust Funds for Holman, Mine Falls, and the David Deane Skateboard Park. Who are the agents for those particular funds?

Nicholas Caggiano

There are multiple agents on those funds. Each tower has a primary lessee and then there are sub-leases that go on for multiple carriers. Carolyn might be able to help a little bit.

Chairman Deane

I think he is asking who has the authority over the dollars if you are going to spend them, and that would...

Mayor Lozeau

The question isn't who is leasing the sites; the question is who is responsible for how the funds get spent.

Nicholas Caggiano

Park & Recreation Department and the Board of Public Works.

Mayor Lozeau

Exactly.

Alderman Cookson

For all three of those?

Nicholas Caggiano

Correct.

Alderman Cookson

For Holman, Mine Falls, and the skateboard park?

Nicholas Caggiano

The Mine Falls Advisory Committee also...

Mayor Lozeau

Plays a role.

Nicholas Caggiano

...they don't actually approve, but they make recommendations.

Alderman Cookson

Do we have the current balance for those expendable trust funds, for each one of those three?

Mayor Lozeau

They are in the back of your budget book in the blue pages.

Alderman Cookson

Thank you. Thank you, those are my questions.

Alderman Sheehan

I would just like to add I guess to what Mr. Caggiano said with the program being well respected. My children have been doing it since they were very young, and they don't ask when school gets out for the year they ask when Dave and Heather's pool opens. They have named the pools by the lifeguards that are there. Subbing it out might bring a tiny savings, but I doubt it because I don't think they work for very much, but I think coming back year after year and getting that bond with the kids, they taught my children how to swim when I had one that wouldn't let go after two years at the Y. They do an excellent job there. They do a lot of managing in the afternoon when the camps come in and things get very very busy, and it brings summer to kids that would otherwise be in a summer camp maybe in a school or a daycare. The value that they bring I think is huge, and gives a lot of children very fond memories of the park system in Nashua. I love the pools and I think the whole Park Department does a very good job, and just wanted to bring that up. For the cost, I can't believe you can get that many programs and stuff out of it, but you do and you do a good job with it, and your staff is very good.

Nicholas Caggiano

Thank you.

Alderman Sheehan

You are welcome.

Alderman Clemons

Thank you. Can you tell me what AVL service is?

Nicholas Caggiano

Automatic Vehicle Locator.

Mayor Lozeau

Alderman Clemons you may recall when we did the budget that included that, our plan was to be able to put vehicle locators in the majority of the fleet vehicles to be able to determine where they were located so say for instance under street plowing you wanted to pull somebody and send them to another route or something that happened, you could look and manage better based on where the vehicles were. We were looking at that throughout the City. The problem was we never really could get it to operate at the level that would really let the managers feel like they were in real time and able to manage. That was one of the decisions we made was to remove it from the budget.



Alderman Wilshire

I would just like to thank Nick Caggiano for the work he and his team do over there. It is unbelievable the amount of activities you provide for the citizens of the City. I know I took swimming lessons 50 years ago at the Sargent Ave. pool and fond memories of it. I think you are doing a great job over there. Keep it up.

Nick Caggiano

Thank you.

Alderman Cox

I will first echo my colleagues' comments before I ask my question because you are doing a great job. The parks are great. The upgrades that happened several years ago have really made us shine as a city for great parks in the city.

Where do we find the porta potties?

Mayor Lozeau

Porta-johns are under other equipment, \$12,000. We try and get as many as we can out there. It just seems like there are never enough.

Alderman Cox

That is down quite a bit. Wasn't the new contract much better than with Dave's?

Nicholas Caggiano

About 4 years ago we found a better vendor. Our counts remain the same, we are just paying less.

Alderman Cox

Excellent. Thank you very much.

Alderman Clemons

Under vehicles, I assume that is being moved over to...

Chairman Deane

CERF.

Nicholas Caggiano

CERF correct.

Alderman Clemons

Thank you.

Alderman Cookson

Thank you. I had a question the other day with the cemeteries about backhoes. I thought I would just throw this one in about a backhoe operator. How many backhoe operators or backhoes do we have in the City?

Nick Caggiano

I can tell you how many I have at Park & Rec. We have 1.

Alderman Cookson

Does the Street Department still have them?

Mayor Lozeau

They will be next so you could ask them when they come up. We don't have one under engineering so...

Nicholas Caggiano

I will take a guess, I want to say 3.

Alderman Cookson

Thank you.

Mayor Lozeau

We don't loan them to the cemeteries.

Alderman Cookson

You don't loan them to the cemeteries, we utilize them completely on our own and cemeteries...

Mayor Lozeau

One of the things we do is we pinch hit and try to help people out when they ask us. Cemeteries they are coming along. They really I think felt very independent when I got here and really outside of the scope of the City. I have worked with them diligently to get them to follow our policies on things whether it is hiring, spending, or purchasing. They are coming along. It will be helpful someday when they say you know we could use a hand with this and we could do the same with them. It will come.

Alderman Cookson

Very good. Thank you.

Chairman Deane

Ms. O'Connor, could you open up your book and tell me what the number for 13067 is currently? What the final tally was? Overtime line to have an extra janitor sit and watch basketball games – absolutely ridiculous. If they come in on a Saturday I can understand it, but to tell you the truth, this is \$50,000. Even

if you left \$20,000 in there for Saturday school openings I could understand it, but to have somebody else in a building sitting there in the bleachers watching basketball games is ridiculous.

Mayor Lozeau

I think it is a contracted...

Chairman Deane

It is contractual? I don't believe it is. I don't believe it is.

Mayor Lozeau

Okay.

Chairman Deane

I believe it was an added feature that started at the high school and somehow dribbled its way down through the elementary school.

Mayor Lozeau

No pun intended.

Chairman Deane

It is maddening.

Mayor Lozeau

I don't disagree Alderman Deane. I think most of us would agree, but I recall having this conversation with the schools and...

Chairman Deane

Well it is in this line because the Board of Education threatened to cut it, which would have killed the program so we put it in the Park Department budget because we knew the Park Department would do the transfer and pay the people and the basketball program would continue. That is why we find it in here.

Carolyn O'Connor

\$51,232.89.

Chairman Deane

Any other questions of Mr. Caggiano? Do you plan on planting any trees this year?

Nicholas Caggiano

We have been planting a few.

Chairman Deane

Have you had citizen requests for trees at all?

Nicholas Caggiano

They are down this year.

Mayor Lozeau

Mr. Chairman, while Mr. Caggiano is here, could we take up the Park & Recreation Instructional Program? Do you mind?

Chairman Deane

The what?

Mayor Lozeau

The Park & Recreational Instructional Program that you have on the budget.

Chairman Deane

It starts on page 237?

Mayor Lozeau

Yes.

Chairman Deane

I guess we can do that. We don't want him to go away.

Alderman Cookson

Speaking of tree sales, how much advertising does Park & Recreation do to let people know that there are trees for sale?

Nicholas Caggiano

The program is actually run through the Conservation Commission and Community Development. We manage it for them. The brochure is available on the City website so if you go under Park & Rec you can view the brochure and pull it off. We talk it up a little bit. People come in the office a lot and grab the folders. I think they are just down the past couple of years. We used to be doing about 30 a year, and we're down to half a dozen and I think it is just the scale of the economy you aren't going to spend \$125 for a tree right now. A lot of people won't do that. The trees are free in certain wards, with the sign-off of the Ward Alderman as well. I believe it is the Tree Streets and the ward that is over by Crown Hill.

Chairman Deane

So wards 4 and 7 get free trees?

Nicholas Caggiano

Yes.

Chairman Deane

As long as the Ward Alderman approves?

Nicholas Caggiano

Correct.

Mayor Lozeau

And some of ward...

Alderman Sheehan

French Hill.

Alderman Cookson

That would be great advertising.

Mayor Lozeau

We have had it on TV16 a little bit. It is out there. But I think you are right it could be one of those fun things to be telling people about.

Alderman Cookson

Thank you.

Mayor Lozeau

Maybe we could make it one of our Community Spotlights.

Alderman Sheehan

We do talk about that at ward informational meetings or when we are organizing neighborhood cleanups it gets put out there then, especially when someone has lost a tree and now has blazing sun where they used to have shade.

### **Park & Rec Instructional Program (6505)**

Chairman Deane

We are in the pink pages on page 237. Mr. Caggiano would you like to walk us through this?

Nicholas Caggiano

It is pretty self-explanatory. The special Park & Recreation instructional program is pretty much self-funded. We do fund a half of a full time person in our department through this system. It basically puts about 1,600 to 1,700 children through camp for the summer, through different various camps. It also includes our trips. We do trips to Foxwoods, Mohegan Sun, Boston Red Sox; we will go to New York City a couple of times a year, things like that.

Chairman Deane

Does anyone have any questions in this area?

Alderman Cookson

Thank you. Your 59055, instructional services, can you just talk about the over-expenditure from \$8,000 to \$22,624?

Mayor Lozeau

Actually just so that Nick is not on the spot with that, there is really not an over-expenditure. We don't calculate it by line. It may show up that way, but it is the two digits so if you look at the \$155,000 that was approved and he is at the \$127,810 so he is still within budget. Sometimes some of those lines shift on where those dollars...

Chairman Deane

Where they code it to in the 5 digit numbers.

Alderman Cookson

Alright so can you explain the difference between \$29,000 and \$44,000?

Nicholas Caggiano

Sure. Some of the camps we sub out to contractors and we have to pay some of them up front in order to reserve their spots so you are seeing a little excess expenditure here, but when the camp is completed and all of the participants have paid, it will negate it.

Alderman Cookson

Zero out?

Nicholas Caggiano

Yes.

Alderman Cookson

And we are forecasting the same thing this year for instructional services?

Nicholas Caggiano

Correct.

Alderman Cookson

So even though we might see an increase and might have to retain some of these services, you are going to see it zero out at the end?

Nicholas Caggiano

Yes. If there is any left over it is set up so that it will carry over into the next year.

Alderman Cookson

Do you offer scholarships, do you help pay for some children or families that might not be able to afford...

Nicholas Caggiano

For any of our programs, we won't deny anyone access to our programs. All we need is a letter from a school teacher, counselor, or pastor and we will find a way to get them through the program.

Alderman Cookson

Thank you.

Chairman Deane

Are there any other questions in this area? Being none, thank you.

Nicholas Caggiano

Thank you very much.

**Street Department (553)**

Chairman Deane

Revenues start on page 47 in the yellow pages.

Roy Sorenson, Superintendent of Streets

Thank you Alderman Deane. Revenues is straightforward as it has been every year. It is what the State is going to give us through the Highway Block Grant. We're anticipating that to be the number that is in there, \$1,619,620. Miscellaneous revenue is a small money item. That is any money we might gain at auction, and steel we might cash in. Sometimes we get checks through our permits coordinator, which is in our department, for houses being moved and things of that nature.

Chairman Deane

What about scrap metal?

Roy Sorenson

Same thing. We will scrap it. We work with Solid Waste. We fill up a dumpster and we will take it up mostly once a year, sometimes twice, and cash that in. I guess you are going to get more now that you are scraping it, but you are also going to pay more when we are buying it. The price is very high right now.

Chairman Deane

Are there any questions in the two revenue lines? Being none, the appropriations start on page 146. If you would like to walk the committee and others through this?

Roy Sorenson

I will go through the staff first. We have 56.5 total employees. You will see 55.5 in my budget. One of them is paid out of wastewater. He works in my department though. The .5 is the Admin II who is 50% at Streets and the other 50% she spends her time at the Traffic Department. That number was the same as last year. There haven't been any adjustments in staffing for the past two years.

If we move on, I can get into line 13, which is the overtime. \$58,000 miscellaneous operations that is no change. It is going to be the same as it was last year. Overtime snowplowing, that is a deduction of \$20,000 next year. As an example, this year we had 90" of snow, which was an excessive winter. We expended \$460,642. I will knock on wood right now I don't anticipate 90" next year, but I think we will be okay there with that number.

Alderman Cookson

Can I ask a question about your overtime, snowplowing? Is there something in a contract that allows overtime to be paid to a plow driver if they choose to plow by themselves?

Roy Sorenson

Yes, there is an incentive per contract to do that yes.

Alderman Cookson

My understanding is that was required at one time because of the way the vehicles were set up and you actually had to lift the skids into place versus now everything is hydraulic. Is there the requirement to have two people in a truck for any purpose?

Roy Sorenson

Through the contract there is. It depends on the situation. We don't utilize that during sanding events, salting events, I don't utilize that anymore. We saved significantly in that. Most of the time you are just going to see that in plowing because at that point the wing plow is down and plowing and you are obligated by contract to do that.

Alderman Cookson

But you don't necessarily need a second person in the vehicle to put the wing plow down?



Roy Sorenson

That is correct.

Mayor Lozeau

It is one of those things Alderman Cookson that we have looked at year after year with the contract. It has been in there for quite some time. We have not been successful in negotiating that out, and other things have taken priority over that. I can't speak to this year's negotiations, but I can tell you that it is not lost on us that is not a necessary position.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

Years ago the wing plow was operated manually.

Roy Sorenson

Chain driven, chain or cable correct. Again, we are not utilizing that during sand and salt events.

Chairman Deane

I wonder how the State gets away with having two wings and a plow on the front going up the highway, and one guy driving the truck.

Mayor Lozeau

Because they don't have it in their contract.

Alderman Sheehan

Is there a line item in here for damage that we replace with those wings, like when we take out a fence?

Roy Sorenson

Yes. I will speak to that as we go. You will see damages from plows as well just through the rough winter season, damage to the plows.

Alderman Sheehan

I am more concerned with someone isn't watching the wing. I drove behind one this winter and saw it take out everybody's tree, everybody's shrubs, and then a fence going down the road. He was trying to push it back and it is hard to watch what the wing is hitting and get it pushed back far enough. I think there are

times when it is important to have it, there are times when you really don't need it, but there are times like that...

Roy Sorenson

This winter was very difficult. We had times where we really had to push stuff back and as a result we did incur a lot of damage. We didn't have a choice because we were getting storms every three days. We did end up with a lot of mailbox damage, curb damage because once the snow is up to 25-30" on the ground you can't see anything anymore. The biggest thing is for us to keep the roads open enough; especially in the inner city it is very difficult. Unfortunately it is collateral damage; it is part of the business of snowplowing.

Chairman Deane

You saw a truck taking mailboxes and stuff down?

Alderman Sheehan

All the way down East Dunstable and then South Main Street I got a phone call that they took out the entire fence too, and then went...

Chairman Deane

That was with the wingmen in the truck?

Alderman Sheehan

And they didn't know to go through the city and these people went through their homeowner's insurance, which is lucky for us, but they were unhappy.

Roy Sorenson

Any situation like that, we get calls all the time. We review it, we look at it, we work with Risk as well. We tell citizens all the time to call up if they believe that the City has caused damage to their property.

Mayor Lozeau

And they do.

Alderman Sheehan

I know. I don't think everybody does.

Alderman Clemons

On that note, I just want to say I had a gentleman call me about some damage that was done to his property with a plow and all it was was his lawn got a little bit roughed up, but they came, they fixed it, and he was very appreciative of that. That is the kind of citizen service that folks expect. Mistakes happen, but it is important when the City lives up to that and replaces that and I think that makes all of the difference in the world. I want to thank all of the departments involved for taking care of that situation and the many others that happen over the course of the winter.

I did have a question actually, and I don't think you got to it yet, but what is the snow coverage/pagers line that is right below...

Chairman Deane

That is contractual where they are given money to carry a pager nights and weekends.

Mayor Lozeau

That is different now for new hires versus those that were under the contract prior.

Roy Sorenson

Yeah. If we go to that line you will see that I cut almost \$16,000 out of that. The newer employees after 2009 they don't get that benefit.

Alderman Clemons

Okay.

Roy Sorenson

And the UAW employees, it is managed differently. AFSCME is more specific contractually.

Alderman Clemons

So we were able to cut that line and you are confident the \$195,000 is going to be enough? Obviously it looks like it was overspent a little bit for this year.

Roy Sorenson

The number was overspent a little bit this year but we also have three new employees and will be hiring another new employee. I believe correct me on this Lisa, 4 or 5 retirees over this past year so if you do the math on just those 5 alone you will be upwards in probably the \$10,000 area.

Alderman Clemons

Okay. Thank you.

Roy Sorenson

Any other questions on that?

Alderman Sheehan

Thank you. If they are not carrying pagers and it starts to snow, how can you make them come in when it is say Christmas or New Years? Is it that they are mandated to come in still?

Roy Sorenson

No. The part of the pager system is that they are paid that amount to guarantee that we do have coverage.

Alderman Sheehan

Right.

Roy Sorenson

If they hold that pager they have to come in.

Alderman Sheehan

Right.

Roy Sorenson

If they are getting paid, as far as a foreman and they are getting paid as well, they have to come in. We have dealt with that in situations where they haven't accordingly.

Alderman Sheehan

My concern was if we are cutting a lot of the people carrying pagers will we have enough snow coverage when we get the snow.

Roy Sorenson

We're not cutting anyone for pagers. What we're saying is the way the contract reads in these situations certain employees hired after a certain date they are not eligible for this program. They can carry the pager, which means that they will come in on overtime. They will get called first, but they can't collect the 4.5 hours of overtime a week.

Mayor Lozeau

Whether they get called or not. Currently it is whether you get called or not you are paid that 4.5 hours.

Alderman Sheehan

I understand that part. Do they have to come in if they are not being paid to carry it?

Roy Sorenson

Yes. I'm sorry. They are required to come in, that is part of their employment whether they carry the pager or not.

Alderman Sheehan

Okay. That was my question.

Roy Sorenson

Generally speaking we have enough coverage, and we call non-pager people as well, and some of them come in, some don't. The program is set up as such that we should be adequately staffed either way.

Alderman Sheehan

My concern is just when we have the two of three day surprise here comes another one and the people are sleeping off the first one, it is hard to motivate people unless they are required to.

Roy Sorenson

And this winter can speak to that. It was very difficult. We got through it. We usually do, and they did a great job.

Alderman Sheehan

They did. Thank you.

Chairman Deane

Please continue.

Roy Sorenson

We go to the 17 line that is longevity. That is a slight increase. While I say we did add new employees, we also have some tenured employees coming into this year.

Mayor Lozeau

It is a slight decrease.

Roy Sorenson

Correct, with the new employees, but we did go up a little bit on the 25+ year, we have 14 employees that are tenured there, but not much of a change.

Telephone, Toll Calls that is no change. Pager/Portable Communications, no change. Electricity is down 1% basically with the guidelines we were given through Purchasing and Finance. Water is up slightly, \$207.00. Heating is flat. We don't expect that to change. We have been pretty consistent with that. Office supplies no change. Janitorial expendables no change. Postage no change. Outside printing no change. Asphalt, Cold Patch you will see what seems to be a pretty significant deduction there, \$5,000, 42%. What we have done with this is we started the mill and fill program last year. We really milled out some bad areas on main roads and we filled them in with hot mix. This was during the summer. That helped out quite a bit with our winter this year, we didn't have as many volatile areas I will say on main roads. Concord Street would be a good example of that, it held up very good this winter. That has helped. We look at that number over the past two years, and we will be fine with that.

Chairman Deane

So the machine that we just bought is going to have this \$7,000 worth of asphalt put into the back of it to do those troubled area patches? Is that what that is for?

Roy Sorenson

The intention is, and I will get to that later, yes. We can't do the milling obviously, we don't have the

equipment for that. It is very expensive equipment. But we will utilize that machine to fill those areas so the City would be doing that work.

Chairman Deane

I thought that machine milled, didn't it? No?

Mayor Lozeau

No not the one that....

Roy Sorenson

No, it is just a paving machine.

Chairman Deane

So the one that the contractor, was it Hudson Paving?

Roy Sorenson

Yes.

Mayor Lozeau

That did the milling.

Chairman Deane

Didn't their machine mill and overlay?

Roy Sorenson

No. They subbed out Continental to do the milling and they had one of these machines to do the filling. The uniqueness behind this machine is the mills are anywhere from 5-6' wide, the traditional paving box is 8-10'. You don't want to get into milling out that much of a road. If you are milling out that much of a road...

Chairman Deane

You have a bigger problem than ...

Roy Sorenson

Exactly. That is why this machine is ideal. Obviously it makes its living off of paving sidewalks, but this is one critical area that we would use it in would be doing that.

Chairman Deane

And we have had success with it. I find the patches on Concord Street to be in good shape as well as the

one on East Dunstable at Robinson Road. That section of road always patched apart. I come down Main Street and I see orange paint around all of those potholes.

Roy Sorenson

That is going to be milled out through engineering. That is part of the sewer project paving.

Chairman Deane

But why would somebody go and spray orange spray paint around...

Mayor Lozeau

There are a couple of reasons; 1) to make them noticeable to the vehicles and 2) because we had a parade coming through and people were going to be...

Chairman Deane

Oh it was for the parade.

Mayor Lozeau

Well it was just a combination of things because as I told the woman who scolded me during the parade, yes I see the road, but we were not able to pave it during all of that bad rain and stuff so we waited and that was that piece of Main Street where a lot of work was done on the road and the delamination that you are seeing there is just like we saw I think the first year I was here in office...

Chairman Deane

On the other side of Poor Pierre's.

Mayor Lozeau

...up near Poor Pierre's...

Chairman Deane

But that part of the roadway that has the issues now didn't have any work done to it. The area in the middle where the sewer work was done, that held up wonderful over there.

Mayor Lozeau

They still had a lot of extra equipment on the road and that sort of thing. What we determined was the reason that delaminated the way it did is because, when we looked into it, the year that it was paved, which was either 2005 or 2006, it was cold and they were paving it in late October, and that is why. That part of the road held up longer, but during that construction cycle on the other side of the road, you still had all of those extra construction vehicles and that aggravated it.

Chairman Deane

That is like when you look back at the structural integrity of our sidewalks and when you see motor vehicles parked on top of them. That is another thing that is a problem.

Alderman Sheehan

I just had a question because twice I have heard Concord held up as a good example, and I am wondering when that process happened because I know there was later in the year cold work done, and we had a torrential rain the next day and the whole thing blew out and then all winter between Laton and Swart, within 3-4' of the sidewalk, there were major potholes.

Roy Sorenson

We still have probably 3 or 4 real troubled spots up there. The actual mill that we did held up fine. I have 3 or 4 areas up there that we have slated for this program this year.

Alderman Sheehan

Okay.

Roy Sorenson

Two of the really bad areas we're going to dig out and find out what is going on underneath because I think it has to do more with the gravels than the asphalt themselves.

Alderman Sheehan

That is what it looks like because it is in a perfectly straight line. They were working and it was fine and then that downpour and the road just washed out. The woman in front of me went into it and broke her axles and by the time I got back there were a whole mess of cars.

Roy Sorenson

One of it was unfortunate because of the weather and it is tough to see those, but the overall objective of the program has worked very well.

Alderman Sheehan

So that wasn't necessarily done right at that area is that what you are saying?

Roy Sorenson

There are a lot of problems on Concord Street as I have talked about. If you drive up and down Concord Street right now you will see plenty of spray-paint marks of work that will be performed this year.

Mayor Lozeau

We can see if we can get you some more specifics instead of Mr. Sorenson trying to do it on the spot here. I'm also conscious of the time and the other departments that are waiting.



Alderman Sheehan

Sorry.

Mayor Lozeau

That's okay. It is perfectly fine that you are interested, and we will be happy to get you that information, but I don't think he can come up with it right this second.

Alderman Sheehan

Thank you. It was just a coincidence of what was mentioned and what I have. Thank you.

Mayor Lozeau

You are welcome.

Roy Sorenson

Asphalt, Hot Top we have a slight reduction in that. That is just following historical trend. The price right now has been pretty stable. We are a little nervous about that, but the price has only gone up \$3 a ton, which is not bad. We're confident we can make that number work. We have to be more accurate obviously with our estimates as to how much product we're actually going to need.

Chairman Deane

Why, did we have trouble with that?

Roy Sorenson

I won't allude to what we have had trouble with; I know the philosophy I use when it comes to calculating amounts.

Chairman Deane

So you don't have a half a truckload left over when the job is done or...

Roy Sorenson

We try not to do that. No change in the liquid asphalt that is the emulsion agent we use for the asphalt when we put it down and to do the seam work. Asphalt Contractual Purchases, there is a big cut there. That is a very large cut and again that is there because we were fortunate enough to purchase a machine that is going to help us quite a bit with this. We will obviously try to do more work as far as the paving goes. Again, we are not going to do the milling, we don't have the money or the labor to get into milling. That is something to be contracted out. We have the ability at this point to fill those in and just by comparison on something of that nature, I just mentioned we pay \$67/ton, by contract last year when we did that we were paying \$189/ton. You can see the difference in savings you will see with that if we put that asphalt down ourselves.

Chairman Deane

So out of that \$115,000 what has been spent to date?

Roy Sorenson

We haven't spent to date on that yet...well actually we are encumbering it, we will encumber \$86,000. You will see that at the next BPW for this year's program.

Chairman Deane

So that is going to be an escrow?

Roy Sorenson

No. They honored their cost from last year; it will just be a change order to that so that will go straight through.

Chairman Deane

Okay.

Roy Sorenson

They honored all of their unit prices on that.

Chairman Deane

Thank you.

Roy Sorenson

Construction Materials down \$5,000. This is something you heard Marc Morgan talk about earlier in the night when he talked about gravels. What we are trying to do is reuse a lot of our stuff. We are doing a lot of screening or gravels and things of that nature, trying to use more bricks; when we take them out we don't really just get rid of them and take them to the landfill, if they are any good we will use them in sewer work, whatever we need to do with them. Castings, when we pull those out of the street to replace them, they are still in good working condition they will go right back in provided they are not antique type catch basin covers or...

Chairman Deane

Triangular ones.

Roy Sorenson

Exactly. And then again just reusing the forms for sidewalks when we pour concrete and things of that nature. We are trying to be more diligent there. I looked at the trends there and I think we will be okay. The next line, 45175, that is gases. Those are all welding gases. They have been stable all year. \$200 cut that is minor. We will be fine there. Again, back to the gravel and loam, we are doing more screening

down the plant. When we remove loam from jobs we bring it to the landfill, we have the screener there, we screen it out as well as any gravels that we can use, same thing. That is a 15% cut.

Chairman Deane

Do we still have the screening plant?

Roy Sorenson

Yes.

Chairman Deane

And it is still operational?

Roy Sorenson

Oh yeah. We used it all the time last year. When we went into this we went down to the landfill and looked at piles of I guess what you would call junk of asphalt and we looked at them what can we screen and what can we come out of this with. We have been trying to make an effort to do more of that.

Alderman Cookson

Thank you. When it comes to sidewalks, do we as a City have a preference for concrete versus asphalt?

Roy Sorenson

Well generally speaking I mean you look at the area, and we do have some historical standards to stick by, but we look at the area as well. If it is predominantly concrete we are going to go with that. The newer areas basically have come to asphalt now. I think one thing you will see is when you try to run through driveways with concrete it causes a lot of issues with the residents plowing or any contractors plowing. We have come to some instances where we have done asphalt aprons, and a lot of that too is people just doing it on their own; they will run asphalt over the concrete. It is what makes the most sense for the area and the financial aspect of it.

Alderman Cookson

What is the cost difference between the two per linear foot?

Roy Sorenson

I can't give you the linear foot; I can tell you it is \$110 a cubic yard for concrete, \$67 a ton for asphalt. I can get those to you. I don't have the actual breakdown with me. I do that significantly, but asphalt is probably 1/3 of what concrete is. Just by comparison, with this new machine we have purchased, we did a mile of overlay asphalt sidewalks on Westgate Crossing last year in two days.

Alderman Cookson

So even with an increase in petroleum products we're seeing the asphalt is more cost effective than the concrete?

Roy Sorenson

Yeah. Concrete has followed that trend the whole way just because of the fuel issues and all construction materials have gone up significantly over the years. In fact, our two vendors for concrete have sent us letters saying there will be a fuel surcharge this year on top of the actual cost.

Alderman Cookson

Thank you.

Chairman Deane

There is going to be a fuel surcharge?

Roy Sorenson

For concrete delivery yes. Road salt we have \$465,000 that is down \$35,000. Last year we had 8,800 ton we expended everything on that. We filled the dome up so our salt dome is full going into next year. I look at the ten year average for salt, it is around 7,500 ton, and if I assume a 10% increase on last year's price, we can meet that number. Again, I'm assuming that because of fuel surcharges and salt usually spikes when you have significant fuel costs.

Chairman Deane

You don't pre-salt do you?

Roy Sorenson

It depends on the storm situation. Generally if we are coming into a commute we will go out and we will pre-salt, if it is a morning commute. If you are talking about a storm that comes in at say 1:00 a.m. and it is going to come quick, we are going to let the snow come down. Some areas we generally always hit though are main roads and hill areas. We throw down some pre-salt. It helps out with the plowing as you move on. We have 12 pre-salt routes. We don't cover them all unless the situation calls for it. Generally that depends on the timing of the storm.

Chairman Deane

When you looked at your historical data did you find years where there was more salt used than others? Weren't there points in time when they used to pre-salt every storm?

Roy Sorenson

Yeah. There was significant salt usage. It depends I guess on again situational stuff.

Chairman Deane

Moving on to work clothing.

Roy Sorenson

Not yet.

Chairman Deane

Oh you've got sand. I'm sorry.

Roy Sorenson

There is a cut with the sand. We have looked at our three year averages on that and the prices has been consistent on sand. We haven't had any major issues with that. We will be able to capture what we believe we need to get through an above average winter. As I like to say I try to budget for 75" of snow. If we get 90" of snow realistically we can't budget for that, we wouldn't be doing anything else but plowing and salting roads. We're fine with the sand number being at that.

Chairman Deane

Are there any questions in these major areas?

Roy Sorenson

If we go to the next line have work clothing. Again, just keeping a better eye on things, minor cut in that. We just have a better hold on what we are doing as far as providing clothing to the employees and keeping it more generalized and more uniform as far as what they are wearing and what they get.

Chairman Deane

Are they supposed to be wearing something?

Roy Sorenson

Clothes in general is a good start.

Chairman Deane

Well City issued shirts?

Roy Sorenson

Contractually there are different unions, but yes they should be wearing something with the City insignia on it.

Chairman Deane

And do they?

Mayor Lozeau

They do now.

Roy Sorenson

We are moving in that direction and I think...

Chairman Deane

We are moving in that direction.

Roy Sorenson

As a division we are putting something together. Director Fauteux can speak to that.

Mayor Lozeau

The policy is yes they all have to wear clothes that have the City insignia on it. We have had some trouble where employees don't do that. They have been talked to. We are now going to implement something where we are putting in logos that people will be able to recognize quicker I guess by departments, but the policy is that they should be wearing the clothes that they have been issued.

Chairman Deane

Since we spend a significant amount of money as a City what happens to this money if you look out and you see something going on and 8 employees there and they all have white T shirts on or...

Roy Sorenson

And we have worked at that, and have come a long way as far as that goes. They are wearing shirts. They are being provided shirts that have the City logo on them.

Chairman Deane

Does this include protective clothing like the vests and things that people have to wear when they are out in the street?

Roy Sorenson

Yeah it does. Obviously the safety vests for ...

Chairman Deane

Well you should have those right.

Roy Sorenson

That is work clothing. The fleet based clothing is they have a laundering service because of what they are doing. That is expensive, but it is realistic. Medical Supplies no change. Fuel, do you want me to get into fuel? This is basically what we have on historical data; gallon usage, diesel and unleaded gasoline. You will see the increase in that. It is just reflective in the pricing in the market right now. As you know it has been very volatile. We're doing pretty good so far this year with what we projected for last year. That is even with the heavy usage of diesel because of the winter we had, and that is where you will see quite a bit of spikes.

Chairman Deane

Is the compressed natural gas in any of this area?

Roy Sorenson

No we have not...

Chairman Deane

How is that going to be paid for Mayor?

Mayor Lozeau

It is attributed in the automobile fuel line, and we anticipate a savings based on those vehicles. Right now it is budgeted as though they are going to have diesel and when the change takes place we will see the resulting savings.

Chairman Deane

So if the savings takes place that you are anticipating, we will see a reduction from the \$335,500?

Mayor Lozeau

We should. You will notice that the Streets Department carries the majority of fuel for the City in their budget, but in the division, unlike others, they actually also carry fuel lines within their departments.

Chairman Deane

Well the Park Department carries a fuel line right?

Mayor Lozeau

Yes.

Chairman Deane

And cemeteries do I believe, and the Street Department carries the gasoline for...

Mayor Lozeau

You will see it in Traffic. You will see it in...

Chairman Deane

...the Police Department, for the Fire Department, and so on and so forth.

Roy Sorenson

We carry the Mayor's Office, Purchasing, Police, Fire, Environmental Health, Library, inside agencies; Engineering, Parks & Rec., they can fuel obviously at our facility as well, Traffic, and then your outside agencies on that for reimbursement...

Mayor Lozeau

Rockingham Ambulance, Nashua Housing Authority.

Roy Sorenson

Nashua Transit, Airport, State of New Hampshire.

Chairman Deane

So the Rockingham Ambulance is still filling up at our pumps?

Roy Sorenson

Yes.

Mayor Lozeau

But they return those funds.

Chairman Deane

It is a contract that we have with them right?

Mayor Lozeau

Right, but I mean they pay for it, they are just using our pumps because they save...

Chairman Deane

Minus the taxes though.

Mayor Lozeau

Right, exactly. So you will see those bracket of numbers...

Chairman Deane

But that is reflected in the contractual price that we receive from them with the service they provide the City right?

Mayor Lozeau

Actually it is at no cost to the City, the ambulance contract.

Alderman Clemons

Just a question on the diesel fuel line; the increase that is reflected from \$192,000 that was approved in 011 to the \$335,000 is attributed to the rising cost of fuel?



Mayor Lozeau

Yes.

Roy Sorenson

Correct. Diesel fuel, as you know, it is upwards of \$4 a gallon right now so that is why you would see that spike.

Alderman Clemons

But it is anticipated that not all of the \$335,000 is going to be used?

Mayor Lozeau

Actually, where you are going to see the savings is going to be in Solid Waste where they are carrying automotive fuel for diesel fuel at \$315,000. The trucks that we are purchasing are Solid Waste vehicles and so that savings actually would be reflected there and not here.

Alderman Clemons

Okay.

Mayor Lozeau

So where it's impact might be is we transfer less than the \$3.5 million that I talked about in the end.

Alderman Clemons

Okay. Thank you.

Chairman Deane

What is our contract now for diesel?

Mayor Lozeau

We are not contracted.

Chairman Deane

What are we paying for a gallon of diesel?

Roy Sorenson

\$3.16 right now.

Chairman Deane

So it is not \$4 it is \$3.16 a gallon?

Roy Sorenson

Yeah, but that has come down. It has fluctuated. We started the year at \$2.14; it has got into the \$3.70 range. It depends on the delivery times. The last deliver was \$3.16.

Chairman Deane

What are we paying for gasoline?

Roy Sorenson

Gasoline is \$3.69. We started the year at \$2.34.

Mayor Lozeau

It is the rack price minus the taxes right now Alderman Deane. We haven't locked in a price.

Chairman Deane

We're not locked right?

Mayor Lozeau

Right.

Roy Sorenson

As a general rule, we have 170,000 gallons of unleaded that we fill up every year and 100,000 of diesel. If you pull the trend line that is what you come out with for averages. That is everything now; that is Public Works, outside agencies that is everything that we just talked about.

Alderman Cox

Should there not have been a line created for next year for the CNA?

Mayor Lozeau

We didn't do that because we weren't certain when our delivery would come on line and that sort of thing. What was important to us is that we would be able to realize those savings. We chose to do it this direction. If the trucks come in September then we will realize more savings sooner, if they come in November less, so we just thought we would budget accordingly and then bank the savings.

Alderman Cox

Thank you.

Chairman Deane

Go ahead.

Roy Sorenson

49075, Miscellaneous Supplies – this is cones, hoses, screws, spray paints, rage, plow paint, stakes, spray grease, items like that. Slight cut there, \$2,350. Basically just trying to keep an eye on things, making sure we get them back and making sure we have everything we need that we bought. One thing I will say on that is we did expend quite a bit on paint coming into the winter as we painted our trucks getting them ready, painting plows, we try to keep up on painting the dump bodies as well. So you will see a pretty big cost with that enamel paint.

59100 line, Miscellaneous Services; that is a \$5,000 cut there. Some of the items that you might see in this line are towing fees, coring, fencing, time clock, extinguishers things like that. My weather service is in there. A big part of this line that we saw this year from miscellaneous services, this is the line that we pay for our hydraulics, for our pistons to be fixed. We had quite a bit of damage this year because of the winter where we had to fix a lot of plow pistons. In fact, I have 5,003 in winter allocations; that is for driveshafts as well, radiators, and things of that nature, and any type of machining we might have to do. That is where you will see that.

59105, Janitorial Contracted Services, no change. Pest & Rodent Control Services no change. Security Services down \$10,700. I believe we just procured a new vendor and we will realize that savings there.

Chairman Deane

So you have a...

Mayor Lozeau

Same as Solid Waste.

Chairman Deane

Can we go into that for a minute?

Roy Sorenson

I'm sorry.

Chairman Deane

Can you explain that for a minute?

Roy Sorenson

I will defer to Director Fauteux on that.

Lisa Fauteux

We actually are working with IT right now to choose a new vendor for our security services. We have not chosen one yet.

Mayor Lozeau

For the cameras Alderman Deane.

Lisa Fauteux

We actually have a meeting on Friday to discuss and determine who the final vendor will be for security services, but it will be a new vendor and there will be a significant cost savings.

Chairman Deane

That is just the oversight with the cameras?

Lisa Fauteux

Yes.

Roy Sorenson

It is the answering service, which we did go to a new vendor as well, a separate vendor. The last vendor we had handled both of those camera and answering service.

Snow Plowing Services, Outside; that is down \$15,000. We had again a difficult year last year. I don't think it is part of the norm. I think the norm is going to be around \$100,000. One thing that hit us last year too was the fuel escalation on that, which was \$15,000 in costs.

Chairman Deane

What do you mean fuel escalation?

Roy Sorenson

We had talked about this at BPW. Because of the price of fuel the rate would go up \$5 if the gas got to \$3.50 a gallon for diesel...

Chairman Deane

But they can fuel up at the City pumps though...

Roy Sorenson

No we don't permit them to fuel there anymore. They have to fuel on their own. Special Police Services, no change. Street Repairs, Contractual; we are doing more of the work ourselves. That is down \$3,000. We're taking on more work as far as that goes. AVL Service we talked about, we are discontinuing the service. Special Contract Services no change. Office Equipment; no change. Computer Software is down \$400. IT has taken over with the RTA so we have been able to knock that down a little bit.

Chairman Deane

On your computer, what line was that?

Roy Sorenson

Computer Software is 64040; it is \$2,000. It is down \$400.00.

Chairman Deane

Are we adding more snow beacons or...

Roy Sorenson

That is the next line. As of right now, no we are not. We added one up by Markar this past year. They have been working well. We haven't had any issues as far as maintaining them. Actually that is the next line I am talking on now. \$2,000 will be an adequate number for that. We are confident we will be okay with maintaining them with that.

Chairman Deane

What do you have to do to maintain them?

Roy Sorenson

Superintendent Husband can speak on that. It is in my budget but, I would assume if you had to replace one of the beacons or something, things of that nature, maybe some wiring. We would like to just keep some there so you have it there or if we add one for instance. Actually we added one at West Hollis too by our facility, which I asked to put in. That way the workers and the contractors know when the snow emergency is actually in effect as well.

Chairman Deane

That was a great idea putting those up.

Mayor Lozeau

Thank you. It made a huge difference in the amount of vehicles being towed as well.

Chairman Deane

If I left my vehicle out on the roadway in a snowstorm and it got towed down to the landfill and I had to lay out that kind of cash to pick it up I wouldn't do that again either.

Mayor Lozeau

But there were a lot of people that just didn't know before.

Chairman Deane

Please continue.

Roy Sorenson

Miscellaneous Equipment Rental is down \$3,000. We have made some purchases that we previously would have rented these machines. One big purchase that has helped out quite a bit has been the Bobcat, which is a great piece of equipment that we have been utilizing.

Chairman Deane

Have you bought any new attachments for that?

Roy Sorenson

No, just the ones we purchased with the machine. We purchased an auger, the hammer attachment. We actually purchased the milling attachment. It is a small miller, it is not a big miller, I don't want to get everyone confused because I said we don't do milling, but it is a small milling attachment, which we haven't used yet. We are probably going to bring that out next week to do around some smaller basin areas to clean up. But no we haven't purchased any additional ones on top of that.

Hand Tools; we have done a better job on inventory so that is down quite a bit. We are holding firm with that number. We will be fine. We have just purchased some stuff for next year to round off our inventory. Power Tools slight increase. That is basically cordless tools and things of that nature to help out, any types of tools the mechanics might need; air ratchets, things of that nature.

72035 just staying at \$1,600. That is the guidelines we got from Finance and Purchasing as far as maintaining the office equipment; the printers. 75023 down \$1,000 based on historical data. We should be okay there. 75100, Repairs to Doors, again looking at the data we're okay. We dropped that \$1,000. We should be fine.

Heating System; it has been great. It is old, but it has been working very well. We looked at the trend on tat and we were able to knock that down \$4,500 and have that system run and be maintained accordingly by our heating contractor.

77020 that is down \$5,000. That is anticipation of we are getting some newer vehicles and equipment. Part of that too if you look at the line, we put some money into our excavator this year for repairs, which is 15 years old, and then a lot of that is attributed to some damage we had to plows, wing plows and things of that nature. Again, price of steel has gone up. That is down \$5,000.

Maintenance, Lubricants; we increased that. That has been real volatile with the fuel market so we have raised that up. If you look at the vehicles we have, and we talked about this earlier as far as hydraulics go, we probably could increase that more, but we are anticipating new vehicles so we shouldn't be going through as much hydraulic fluid as we have been.

Chairman Deane

How many new vehicles are you anticipating?

Roy Sorenson

Well in the Street Department alone, we will be purchasing 5 or 6 new trucks next year, two from this year, and more...I don't have the schedule in front of me, as well as solid waste vehicles that are coming in.

Chairman Deane

Is there interdepartmental transfer of all of this when all of the broken Solid Waste trucks come in?

Roy Sorenson

There can be, but in all honestly it is not...Mayor Lozeau talked about that being a good system to get to, but again we have aging dump trucks as well that will use just as much hydraulics.

Chairman Deane

So the \$17,000 in hydraulic lubricants that Alderman Sheehan stated she is finding up in her ward, was spent to \$24,275 as of the end of March.

Roy Sorenson

But again a lot of that is due to pricing as well. Very volatile market pricing in that. I wouldn't say so much quantity as it has been price.

Chairman Deane

Alluded to it earlier, when you have a bad winter those things tend to...

Roy Sorenson

They do...

Chairman Deane

And the longer you have it on the ground the more chance there is to break right?

Roy Sorenson

Maintenance, Tire Chains; no change. Maintenance, Tires & Tubes; no change. Repairs Autobody no change. Repairs, Miscellaneous, 78100, again we pulled trending down on that. \$45,500 we are down on that. We will be okay. We looked at the trend on that as far as fixing the vehicles. I think you see more so in the major repairs than you do the miscellaneous repairs. 91005, Travel, Local – Mileage Basis; no change. Conference & Seminars no change. Educational Assistance no change. Membership Dues no change. Subscriptions no change. Snowplowing Season Meals no change.

Chairman Deane

The Capital Outlay Improvements?

Roy Sorenson

That has always been a line that we have carried in the budget, but there won't be...

Mayor Lozeau

We don't anticipate.

Roy Sorenson

We don't anticipate anything there. That is it. Overall it is a 5.3% reduction within our department.

Chairman Deane

Does anyone have any questions of Mr. Sorenson in his operating budget?

Alderman Clemons

Just a comment. Going through your budget, listening to all of the different changes, mostly the cuts, it is not going to be an easy task to get down that 5.3%, I know that, but it sounds like you are very confident in those numbers. I think you have done some good budgeting here in this particular budget, and I think it is something that I'm really hoping that these cuts that you have made bare fruit and that it is something that the department can see to fruition at the end of the year. I'm a little leery of some of them, but again I wish you the best and hope that you can see those 5.3% cut. Just a little nervous myself, but I'm sure you can do it.

Mayor Lozeau

Mr. Chairman if I could, I would just remind the committee that should we see some of the concessions that we have asked for, and money is able to be returned to this division, there may be some line items in this where we would increase them. Paving in particular I'm always interested in and other things like that. Just to keep in the back of your mind if and when the time comes.

Roy Sorenson

Thank you.

Chairman Deane

Thank you Mr. Sorenson.

**Traffic Department (555)**

Chairman Deane

Next on the docket is the Traffic Department, and that starts on page 152. He has no revenues.

Mayor Lozeau

Superintendent Husband has joined us.

Chairman Deane

Yup, I see him. The floor is all yours if you want to walk through this with us.

Wayne Husband, Superintendent of Traffic

As you are all aware, the traffic department is a pretty small budget department. What I would like to do is just walk you through those areas that there were changes. Most of the line items in the Traffic Department budget were flatlined from this fiscal year to next fiscal year, 2012.

Under the 11 item, Payroll Adjustments, there was a budget impact of \$1,882. That is for merit salary adjustments. Under the 12 line, there was an intern that was added to the Traffic Department budget and



that is primarily for helping the Traffic Department and the City to come up with a sign inventory of the signs in the City of Nashua, which is a new federal requirement.

Under the 17 line, Longevity, that is contractual, and there was an increase of \$300. Under the 31 line, Telecommunications that was decreased by \$5 and that is based on historical trends. Postage was also based on historical trends and that was decreased by \$50. The fuel line was increased by \$1,394 and that is based on historical but also the Traffic Department, a few of the Traffic Department vehicles are now being used for snowplowing type activities. The sign truck is retrofit during storms to assist the Street Department with snowplowing and they also use our pickup truck from time to time so the increase that you see in the fuel budget could be attributed to that.

Other than that, most of the items in the Traffic Department budget are flatlined as you can see. If you have any particular questions about any of the items I would be glad to entertain them.

Mayor Lozeau

Mr. Chairman I should call your attention to, under the 59 two digit the AVL Service, the \$360.00. That actually should have been removed as it was in all of the other departments. That was just something that somehow got picked up and not left behind as it should have. Just so you know.

Alderman Cox

On the summer intern, this \$7,000 is there any grant money or reimbursement from the Federal Government? I think you stated it was a federal requirement to do that inventory.

Wayne Husband

Not that I am aware of. Not that we are aware of, but if something like that should become available we would certainly try to take advantage of it.

Mayor Lozeau

And if we can get an intern that is looking for work that is willing to do it without pay, we get those on occasion as well.

Alderman Cox

Thank you.

Mayor Lozeau

You are welcome.

Alderman Sheehan

The traffic light, electricity, is this reflecting that most of our lights have been changed over to LED for the red and the green or no?

Wayne Husband

Over the years there has been significant savings in the electricity budget for Traffic since the LEDs have been put in yes.

Alderman Sheehan

Are we moving any other traffic lights or street lights to either LED or solar?

Wayne Husband

I can't really speak to the street lighting. Traffic lighting is primarily all LEDs already.

Alderman Sheehan

Thank you.

Chairman Deane

Are there any questions in the Traffic Department? Your long line striping when is that...I know some of it has begun. How much is left to do?

Wayne Husband

The long lines through the city are about 98% done. We just have one more area in the city to do. The long line program is done for the fiscal year for all practical purposes.

Chairman Deane

Any questions of Mr. Husband?

Alderman Cox

How is the Safe Routes to School Program being managed? Is the School Department working in conjunction with you? I know we have received additional monies for not only redoing but extending some of the areas, and it doesn't seem to have happened.

Wayne Husband

I know that the School Department works with Jeanne Walker on some programs from time to time and if Jeanne Walker needs our assistance she will call us in and ask us for assistance.

Alderman Cox

Okay.

Mayor Lozeau

It is not through the Traffic Department Alderman Cox. It is a mixture of if Traffic has a role they play it. Engineering plays the most prominent role in the Safe Routes to School Program. There are things that Alderman Melizzi-Golja has been waiting for at the Bicentennial School area for, it has been delayed a

couple of years now, and initially some of the delays were our responsibility, but the latest delays are the responsibility of the State and their approval process on some of that work. Ledge Street School is moving forward with some of the changes that they have so there are some in progress, but it is not just through Traffic.

Alderman Cox

Thank you.

Chairman Deane

Are there any questions of Mr. Husband? I have one question pertaining to wastewater in the 82025, who is left over there that is still paying into the State pension plan?

Alderman Cox

What page Alderman Deane?

Chairman Deane

We are on page 223. It is in the green pages. Aren't most employees in the ...

Carolyn O'Connor

Because you have some employees throughout the City that are charged to ... a percentage of my salary is charged to...

Mayor Lozeau

That wasn't the question Carolyn. The question is the State pension city employees on that page. Typically those pensions are in the DPW system not the State system unless your answer is the employees that are charge back their portion comes out of that...

Chairman Deane

I think that is what she was about to say right?

Mayor Lozeau

Excuse me. I'm sorry.

Carolyn O'Connor

It is non-DPW employees that are charged to the enterprise fund.

Chairman Deane

Okay so if I look in the Landfill budget I find the same line item for the services rendered by others that are not part of the Public Works pension plan?

Carolyn O'Connor

I hope so. Pensions City Employees, 82025.

Mayor Lozeau

Page 214.

Chairman Deane

Thank you. Any other questions for Public Works? Mayor, I had put a list of requests in from previous meetings. Is that being worked on?

Mayor Lozeau

It is.

Chairman Deane

Do you know when it would be delivered?

Mayor Lozeau

Hoping to get it by the end of the week. Certainly enough time prior to wrap-up Alderman Deane so you will have a chance to review it.

Chairman Deane

I would like an opportunity to review it. It would be nice. Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

You can go home. Thank you very much for coming. We all appreciate your attendance and your help getting us going.

**Financial Services:                      Building Maintenance (517)**

Chairman Deane

Next on the agenda is the Building Maintenance Department. Their revenues start on page 36, which is in the yellow pages. If the building superintendent would like to come up. How are you doing Jay?

Jay Hunnewell, Building Manager

Good Alderman Deane. I have 4.5 employees and myself to make 5. We provide maintenance support to 7 assets or City facilities. That is a basic outline of my department.

Chairman Deane

And your transit reimbursement that is for what cleaning?

Jay Hunnewell

I'm sorry where are we?

Chairman Deane

Page 36, your revenues. What is that Mayor do you know?

Mayor Lozeau

He is looking at the \$500 transit reimbursement.

Jay Hunnewell

I apologize for not being prepared on this. I don't have any revenue.

Mayor Lozeau

To the best of your knowledge you do not.

Jay Hunnewell

Nothing.

Chairman Deane

Okay. Going to page 89. This is Mr. Hunnewell's operating budget. A net reduction of 3.2%. Does anyone have any questions of Mr. Hunnewell on this? Do you want to walk through this line by line? It is pretty simple.

Jay Hunnewell

Very small budget. I can touch on a few areas that might help you out. With some of the renovations to the building I have been able to absorb the 3+ percent in heating fuel and some electrical repairs that won't be needed due to the upgrades to the building. With new heating system I was able to reduce my repairs to the heating systems down by \$2,000 here at City Hall. Those are where I was able to absorb the reduction in my budget.

Chairman Deane

Any questions of Mr. Hunnewell? Thank you Mr. Hunnewell.

Jay Hunnewell

I will have that squeak fixed by tomorrow night.

Alderman Wilshire

Good job.

Alderman Sheehan

Thank you.

Alderman Cox

I was going to bring up the pest and rodent control line.

Alderman Wilshire

Thank you for that.

Alderman Melizzi-Golja

Good night. Thank you.

**Hunt Building (520)**

Chairman Deane

Next on the agenda is the Hunt Building.

Mayor Lozeau

And we have with us tonight Mr. Matthews and Ms. Mortellaro.

Chairman Deane

Revenues are on page 38. They are looking at \$5,000 in rental income. Hello Mr. Matthews how are you?

Charles Matthews, Trustee, Hunt Building Board of Trustees

I'm fine. How are you?

Chairman Deane

Good. How is business over there? Now that it is closed it's...

Charles Matthews

We are not in business right now. We have been closed since the 31<sup>st</sup> of January. This particular fiscal year we brought in \$2,550. We're estimating \$5,000 although I expect we will exceed that for next fiscal year with the building being open 12 months a year and being aid conditioned.

Chairman Deane

People can use it in the summer now.

Charles Matthews

Yes.

Alderman Sheehan

Is this for office rental or just function rental?

Charles Matthews

It will be both. Actually I take that back. This will be just for function rental, the \$5,000. The office rental we haven't calculated how much we will be able to charge for the offices. We have 6 offices in that building that will be available for lease, but we haven't made those estimates as to how much we would be able to rent those for.

Alderman Sheehan

Will they be ready next year?

Charles Matthews

Yes. They should be ready this fall.

Mayor Lozeau

Worst case scenario, 6 months.

Charles Matthews

We are hoping to re-open the building in October.

Alderman Sheehan

I knew that part, just the office part I wasn't sure if it was going to take longer for someone to come in and do additional fit-ups.

Charles Matthews

I think everything is there. We will have computer network access. We will have electrical, lights; the rooms will be painted, new doors, and new ceilings. I think we will be ready to move in.

Chairman Deane

Are you all set?

Alderman Sheehan

Thank you.

Chairman Deane

Page 94 is the appropriations. You are looking at a 2.4% increase. Do you want to walk us through this?

Charles Matthews

Sure. If you look at our building we have basically two expenses; we have a part-time administrator and her salary is pretty much the same from this current year to next year. Then we have utilities for the most part and just a few miscellaneous expenses beyond that.

There really are just two changes here; our water was \$1,500 last year and we exceeded that by quite a bit, and are budgeting \$3,300 for this coming fiscal year. That is because the water that is used in Deschenes Oval by Park & Recreation is metered through the Hunt Building. We have been going back and forth about who pays for that and I think Park & Recreation does a lot of nice things for us keeping our property beautiful so we are picking up the water bill. That is really the increase that you see there.

Chairman Deane

So they say to you if you shut the water off we wouldn't have to be here right?

Charles Matthews

Well yeah that is true, and then Deschenes Oval would be brown instead of green, which I don't think we want to do.

Chairman Deane

Who is doing the cleaning in there? Is that still subcontracted?

Charles Matthews

We still subcontract that and we don't clean it that often. We just clean it before major events. We ask people who rent the building for events for \$100 deposit for cleaning if the building is not in good shape when the event is complete. We're thinking of perhaps incorporating that in to our budget. We may need Aldermanic approval to do that, I'm not sure. But to recoup some of those cleaning fees because we are going to clean the building a lot more. We expect more events in the building and I'm not sure how many times we cleaned it this past year, but it wasn't that often; perhaps maybe once a month, maybe even less than that. We are going to be doing more of that this coming year.

Alderman Cookson

Thank you. Speaking about the water and the increase of almost doubling your water line item, wouldn't it be easier for Public Works just to assume a \$1,500 increase in their budget versus this budget that is so small?

Mayor Lozeau

That is what we did the year I got here actually when we saw the problem. We had Park & Recreation pick it up. The Trustees in this year determined that they felt that it was better for them to pick it up as it was metered through the building because, I think as Mr. Matthews just said, they feel that Park & Recreation does a lot for them. They shovel them out; they do a lot of other things for them so they thought...



Alderman Cookson

I understand that, but I would expect Park & Recreation to continue to do those services regardless of whether the Hunt building picks up the \$1,500 or not.

Mayor Lozeau

I don't disagree Alderman Cookson. I'm just saying that it was a choice that the Trustees made and I honored that. It was a small amount, and frankly I think with what their intentions are for the building, one of the goals has been for them to be self-sustaining and one of the things that I think the City needs to look at is whether or not we want to separate that meter. We put the Christmas tree there and we hook up our electricity to the Hunt building as well.

Chairman Deane

I don't think we should be investing any money separating a meter that costs \$3,000 of water a year.

Mayor Lozeau

Exactly.

Chairman Deane

It will take us a long time to get our money back on that investment. Anyone have any questions?

Alderman Sheehan

I think it is a good idea to leave it where it is. Potentially even if you are only charging \$300 a month you could be looking at an increase of \$20,000 in revenue just for those 6 offices. Having it nicely landscaped requires water. The other thing to think about is with the water problems that you have had are they doing anything to retain that water and reuse it.

Charles Matthews

The water problems meaning the water coming into the building?

Alderman Sheehan

Yes.

Charles Matthews

We're working on that with the restoration at this point. Essentially I think at least one of the downspouts that comes through the rood has failed and so we need to clean that out and that water is coming into the building. We're also getting some groundwater that is infiltrating into the building. We're working on putting together a solution, an apron around the building similar to First Church. We're having some issues right now with the Department of Historic Resources with the State. They don't particularly like that solution. We are going back and forth with them to get approval or at least compromise on a solution that will keep water from coming into the building.

But as far as reusing that water...

Alderman Sheehan

Capturing it. Instead of having it in a drain spout, like in Bermuda their drinking water is entirely, lands from the sky everyday. So they use their downspouts to contain it. And by doing that they also don't have water leakage problems. I'm just wondering if that could be used for...

Charles Matthews

Yeah.

Mayor Lozeau

Excuse me Mr. Matthews. The water that is leaking into the building isn't because of the downspout it is because of the hill. So it is underground coming down.

Alderman Sheehan

Nevermind.

Charles Matthews

There are actually sources of water coming into the building right now. We want to reduce that to zero.

Alderman Sheehan

Good idea.

Charles Matthews

But the plan does include a rain garden. The plan for eliminating the water coming into the building, the surface water, does include a rain garden. The city engineer has put together a plan to do that and that will be just south of the building on the lawn so that will be reusing some of the water that would have normally come into the building.

Alderman Sheehan

Thank you.

Chairman Deane

Are there any other questions of Mr. Matthews? Thank you and good luck with your renovation project.

Charles Matthews

Thank you Alderman.

Chairman Deane

What do you want to do Mayor? Do you want to do the Property & Casualty and then the employee benefits and then call it a night?

Mayor Lozeau

What I would like to do, as you know, you have been acquiescing to my wish of not keeping people here beyond 10:00 p.m. and I appreciate that. Being 10:00 p.m., but Ms. Deshaies has been here waiting to present so it would be great Mr. Chairman...

Chairman Deane

I don't want to do to her what we did to her last year.

Mayor Lozeau

What I would like to do is do the property & casualty, which is what she is responsible for. If could do that and then...

Chairman Deane

We will do that and then call it a night, okay. Page 83.

### **Insurance - Property & Casualty (514)**

Mayor Lozeau

Page 83 is in the book. It is something new we put in last year just to capture the NRO that tells you what is included in property & casualty just so that you have that snapshot. Then the budget actually starts. If you want to walk us through any of your highlights Jen.

Jennifer Deshaies, Risk Manager

I'm going to highlight the budget and then open it up to questions.

Chairman Deane

Which starts on page 84. The floor is all yours.

Jennifer Deshaies

There have been no changes to the Risk Management staff since the last fiscal year. We're presenting a 3% cut to our budget, which is approximately \$100,000. Something that I want to point out in the budget because you are going to notice it in our Workmen's Comp. line items for claims paid, is we took an innovative approach this in regards to how we are paying and working with our medical providers under our Workmen's Comp. program.

We're currently having the adjusters negotiate the cost associated with medical treatment directly and indirectly with the medical providers. It has contributed to an overall savings in our medical costs on those line items.

At this point, I'm going to open it up to questions.

Mayor Lozeau

That was the biggest change.

Jennifer Deshaies

That was our biggest change is under the Workmen's Comp line items.

Chairman Deane

Sometimes I see checks now to the Warrant with a WC next them and question...

Jennifer Deshaies

And that is Workmen's Comp.

Chairman Deane

Some of them are to Marvel Plate Glass.

Jennifer Deshaies

Marvel Plate Glass are school property claims. We have a lot of vandalism with the windows over at the schools.

Chairman Deane

Why would that be under Workmen's Compensation?

Jennifer Deshaies

It shouldn't be.

Chairman Deane

That is what the WC means in the warrant.

Jennifer Deshaies

Maybe WC stands for something else too. I'm not sure.

Chairman Deane

What else would it mean? I guess the 83 line; does anyone have any questions in this?

Alderman Clemons

Only if that baseball hit the guy inside right would it be under Workmen's Comp. Just kidding.

Alderman Cookson

Thank you. I know that we are discussing budget, but I know that you were in here prior to the budget giving a presentation. I'm curious, the consultant that we brought in that evening, he is not part of this conversation tonight with regard to showing the budget to us.

Jennifer Deshaies

No he is not.

Alderman Cookson

Did you...

Mayor Lozeau

I will wait this time to hear the whole question before I...

Alderman Cookson

The second part of my question was I know that particular evening we were talking about getting a revised updated presentation about IBNR. Is that forthcoming?

Mayor Lozeau

That night felt like a train wreck I think we all agree. It was a very difficult presentation and an actuary probably isn't the best person to bring in to talk to a group of people about something like this.

Chairman Deane

That was a proven fact.

Mayor Lozeau

Exactly.

Chairman Deane

Very nice guy, very intelligent guy, but...

Mayor Lozeau

Right, and what his job is, is to work with us on what our confidence level is for funding. When we took a breath and we sat down and looked at the whole property & casualty, I think that it is really simpler than it got to that night. First of all the presentation that Alderman Deane referred to, I took a look at it, we dug it out. It is an insurance 101. It was a two hour presentation done back in 2004 that walked everybody through that and at some point if people would like that insurance 101 I think that is fine and we would be happy to do that.

For budgeting purposes, I think that it is easy if everybody just looks at this like it is its own separate world, its own separate fund. What happens is we have a liability account, which is the Incurred But Not Reported

so that as we have these liabilities we keep making sure that we can cover those liabilities as they become due. That liability account we have about \$4 million.

The line that is in this budget that appropriates \$1.4 million is also for the liabilities that we assume for the current year. What ends up happening is we have the liability account dollars and then we have a reserve account, much like we have in a lot of the other lines in our budget. That reserve account is for if there is anything catastrophic that happens we can cover it. But we anticipate that \$4 million that we carry along all this time, will cover all of our costs and that is the number that is at 80% confidence level.

I think we got off on these tracks about well how does the money get from one place to the other and what is transferred and is it fund balance or account balance and I think we were just losing sight and the actuary was not helping, and Jen felt a little bit out of her element trying to answer some of the financial questions because what she can tell you about is what are her stop losses on her policies, what are her trends running, and that sort of thing.

But it is really, Property & Casualty, if you just think about it as its own world with the liability fund and the reserve account that is all it is. That is all it is. Everything else in here is what we charge against those funds so it is all self-contained here. It operates with enough money to pay for all of these services, all of these additional policies, the staff, and the liabilities. That is all it is.

We actually last week were working on okay could we do a graph that says here is this box and here is that, and it got to be too simple, I felt like it would almost be silly to pass it out and go okay here is how it is. Because where we got the other night was all about how the actuary determines where our levels should be and that was a whole separate discussion than I think what people wanted to get to. I think what people wanted to understand is how much money do we have, what do we use it for, and do we have any backup if we get into trouble. I think that we can answer those pretty simply.

Alderman Cookson

I think I left the other evening with the expectation or being told that we would receive an update or a presentation maybe even the one that was delivered several years ago to the committee. It may or may not have been helpful this evening prior to us looking at this piece of the budget, but your explanation was certainly helpful. I would tend to expect the chart that you referred to from 2004 would also have been helpful in reviewing this. Understanding that this number represents an 80% confidence level or a 90% confidence level, whatever that confidence level is, I think that would have been helpful this evening. So at the very least I would like to request a copy of it.

Mayor Lozeau

And I will be happy to provide it to anybody. I will e-mail it out so that folks can have it. As I said, at another point if we want to have the presentation, but it was so lengthy and so much around the insurance and not about really the dollars and cents, that is why I didn't do that, and I know that we had that expectation, and we actually did spend time, a group of us, with other folks from the Finance Office, looking at how can we lay it out in a graph or a chart or a PowerPoint, and it was just...I think we just got so wrapped up that it is really very simple.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Jennifer Deshaies

Questions on specific line items?

Chairman Deane

Does anyone have any questions? Being none. Thank you.

Mayor Lozeau

We are happy to answer some.

Chairman Deane

I'm going to wait. We have plenty of opportunity after tonight. I will wait. Thank you very much for coming.

Alderman Clemons

Just quickly, I don't have any questions but I do appreciate you sitting through the entire meeting. I don't think that should go unnoticed. You have a difficult job and you do it very well. I certainly am satisfied with the Mayor's explanation tonight of this and the IBNR and I have the information I need. But thank you again for all that you do.

Jennifer Deshaies

Thank you.

Mayor Lozeau

Mr. Chairman if I could just mention, Jen made a comment about the big change, being the negotiations, and that was something that she came up with that was really a creative way to approach some of those costs.

Jennifer Deshaies

We're looking at about \$107,000 in savings on just direct negotiating with our medical providers. We don't have a fee schedule in New Hampshire like other states. Ninety five percent of the states in the United States have what is called a fee schedule so, under the Workmen's Comp. system when you receive a bill you get to say okay we get 30% off. We don't get to do that here in New Hampshire. What we have been trying to do is negotiate directly with a lot of our vendors and we're getting those negotiations. You are going to see that rate within the budget under the Workmen's Comp. lines.

Alderman Wilshire

I had a question after the insurance is done for the Mayor, if you will entertain questions at that point.

Alderman McCarthy

A question about the negotiations. Our healthcare insurance vendors have schedules of what they pay for reasonable and customary fees to the providers. Do we know if what we were or are paying is substantially more or less than what our health insurers get in their negotiations?

Jennifer Deshaies

We do. It is more because under the Workmen's Comp. system providers are allowed to charge you what they want to charge you. Right now the State is entertaining a House Bill or Senate Bill, I'm not sure which one, to adopt a fee schedule of sorts, but it hasn't gone anywhere. I think it was tabled actually. We don't have that here in New Hampshire. Yes, under the Comp. system we do spend more on the billing because we don't have the same benefits as the healthcare providers.

Alderman McCarthy

So is there additional benefit to us to perhaps get one of our healthcare providers to sub-contract handling those claims under their agreement?

Jennifer Deshaies

No. It is a whole different ballgame. Under Workmen's...

Mayor Lozeau

She is doing better than they are actually.

Jennifer Deshaies

Under the Workmen's Comp. system you have to have licensed Workmen's Comp. adjusters, healthcare providers don't have that. It is really a whole different ballgame. We run by a whole different set of Statutes than they do. That is why we are entertaining this negotiation with the providers. We are actually receiving a better savings with out self negotiations than I believe on some of the line items of the healthcare budget.

Alderman McCarthy

I didn't think that is what I heard you say a couple of minutes ago, so then the other question is if we are doing better than the healthcare providers are doing why aren't we negotiating that ourselves?

Mayor Lozeau

Our healthcare providers have negotiated with a lot of our hospitals and others for a fee schedule that we looked at when we were meeting with the third party administrators and we have talked about going to the hospitals as a City and negotiating some of the things that we see used more often to try to negotiate a better price and so we are looking at that with our healthcare consultant that was here that night presenting.

This was just so innovative. It was something Jen didn't have to do, she could have been somebody that said well it is what it is, it is what we pay, and we have to pay the bill. I just thought it was some of the meaty stuff that you might be interested in that she did that.



Alderman McCarthy

I think it is great stuff to be doing...

Mayor Lozeau

Right, no I know you do.

Alderman McCarthy

...we need to figure out how to ...

Mayor Lozeau

Do more. I know. I will take that \$100,000 and we will raise ...

Alderman McCarthy

Why don't you have the whole problem solved?

Alderman Cookson

Thank you. The consultant that we had in the other evening, where is he in the budget? The actuary?

Jennifer Deshaies

He is under 83 – insurance, 83025 under the consulting line. That is our broker and our actuary. That line item is for both our brokerage services and our actuarial services.

Alderman Cookson

Can you distinguish how much is actuary and how much is brokerage?

Jennifer Deshaies

I can. Under actuary I think we're ...I'm going to give you an estimate, with the actuary we are about I think \$8,000 and the balance of \$72,750 is the brokerage. What you are seeing there for that \$100,384 number that is including a purchase order that wasn't drawn down on, that is why it looks like we are over-expended on that line item, but in reality we have spent \$76,137 out of that line so we are within the budget.

Alderman Cookson

And our workplace benefits?

Jennifer Deshaies

That is not my department.

Mayor Lozeau

That is health department.

Alderman Cookson

Thank you.

Mayor Lozeau

Employee benefits. I think that was one of the other problems the other night too; bringing them both in together gave a different impression I think.

Chairman Deane

Are we still using Fred C. Church?

Jennifer Deshaies

We are, and over the last five years we have received a decline in all of our policy costs. This year we are expecting a decline, last year we managed, for our general liability and our Workmen's Comp. to get a two year policy rate because we are starting to see the market harden. This is our last year with that rate so next year going in we will be up against that. But the other line items for policies and the incidental policies, we are looking at a level fund on those. We are going to beat him up.

Chairman Deane

How much work are they doing for us?

Jennifer Deshaies

Fred C. Church? Well they place all of our insurance. They have the market, and we are involved too as the Risk Management Department in placing that insurance.

Chairman Deane

They are contractual right?

Jennifer Deshaies

Yes. We are due to go back out to bid on the broker.

Alderman Cookson

Can you go into just a little more detail about the services that that broker provides?

Jennifer Deshaies

Sure. We meet once a month, a broker comes in. He placed all of our lines of insurance; your Workmen's Comp. your general liability, your property insurance. He works with Risk management on what we should bundle, bundle means you may have 3 or 4 different insurance policies out there and you are going to make them into one, what we should unbundle because the cost is better. He goes out to let's just take property for example, he will go out to 5 different property insurance companies and bring back the prices to the table, will go over what it includes what it doesn't, what is the best bang for our buck. And we do that with

all lines of insurance, and we also have some other policies that are basically dollar one; they are little policies. They do all of that brokerage too for us.

Alderman Cookson

Did you say that you are going to put out a new request for proposals?

Jennifer Deshaies

We are.

Alderman Cookson

Is that true for the actuary as well?

Jennifer Deshaies

No. Actually the actuary is new. We were with Price, Waterhouse, Coopers, and when Mike Gilbar was here we got together, looked at a bunch of them, and they came in right where...they do Manchester's too. They do a lot of the cities that are local and they brought things back to a local level this actuary. Price, Waterhouse, Coopers was putting us through a machine and you are not going to see that with Liscord, Ward & Roy. They are actually using our numbers versus what is going to spit out the end of that machine.

Alderman Cookson

And how long is that service agreement with the actuary?

Jennifer Deshaies

I don't even know to be honest.

Mayor Lozeau

If you don't know, don't guess.

Jennifer Deshaies

I don't know.

Mayor Lozeau

We will let you know.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Chairman Deane

What was the name of the firm?

Mayor Lozeau

He is actually a very good actuary...

Alderman Cookson

I know he is. I understood...

Chairman Deane

What was the name of the firm?

Jennifer Deshaies

Liscord, Ward & Roy.

Chairman Deane

What do they charge us a year for their services?

Jennifer Deshaies

Right around \$8,000. I recall it is a one year service agreement.

Mayor Lozeau

There you go. Did you hear that Alderman Cookson?

Alderman Cookson

I did.

Jennifer Deshaies

I had to think. And we usually sign that in September.

Chairman Deane

Do you want to go to the insurance-employee benefits (508)?

Mayor Lozeau

If you do. We can let Jen go.

Chairman Deane

We can wait. We will put that off. We will handle that at a future date. Tomorrow we have the library contract after Finance.

Mayor Lozeau

Should I assume that pensions, debt service, CERF, contingencies, and employee benefits will be Thursday evening?

Chairman Deane

No don't assume that. Don't assume anything. Let me look at the agenda and I will let you know.

Mayor Lozeau

We have told Mr. Fredette that the debt service and CERF would be Thursday night. That is still correct right?

Chairman Deane

Yeah. We already talked about that yes. I will look at the rest of it and will let you know tomorrow.

Mayor Lozeau

Okay.

COMMUNICATIONS - None

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

**R-11-109**

Endorsers: Mayor Donnalee Lozeau  
Alderman Michael J. Tabacsko

**AUTHORIZING THE CITY OF NASHUA TO BORROW AN AMOUNT NOT TO EXCEED FIFTEEN MILLION FOUR HUNDRED NINETY TWO THOUSAND FOUR HUNDRED AND FIFTY-THREE DOLLARS (\$15,492,453) THROUGH THE STATE OF NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES STATE REVOLVING LOAN FUND FOR EXPENSES RELATED TO THE STORAGE TANK FACILITY, AERATION BLOWER UPGRADE AND DEWATERING EQUIPMENT REPLACEMENT PROJECTS**

Chairman Deane

There was a cut and paste error here that should be removed in the title where it says "to manage Pennichuck Corporation".

Alderman Sheehan

I saw that.

Chairman Deane

That has got to be taken out of there.

**MOTION BY ALDERMAN SHEEHAN TO AMEND IN THE TITLE BY REMOVING THE WORDS “TO  
MANAGE PENNICHUCK CORPORATION”**

ON THE QUESTION

Alderman McCarthy

I suspect that is only an error in your agenda because I think on the ...

Chairman Deane

My legislation that I have here from when it was given its first reading does not have that. I think that was an error that was...

Alderman McCarthy

Nor did the special board meeting agenda...

Mayor Lozeau

It is not on the resolution.

Alderman Sheehan

It is on the computer though and online...

Mayor Lozeau

We can take care of that. You don't need to ...

Alderman Wilshire

We need to amend the computer...

Mayor Lozeau

Yeah we will amend the computer.

Alderman Sheehan

I did ask about that already this afternoon actually.

Mayor Lozeau

The actual resolution doesn't have it.

Alderman McCarthy

I think the legislation is fine it is just the agenda for this committee that was incorrect.

**MOTION WITHDRAWN**

**MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE  
MOTION CARRIED**

NEW BUSINESS – ORDINANCES – None

TABLED IN COMMITTEE

**R-10-66**

Endorser: Alderman Diane Sheehan

**RELATIVE TO THE TRANSFER OF \$92,000 FROM ACCOUNT 591-86005  
“FY2011 GENERAL CONTINGENCY” INTO ACCOUNT 577-11 “CODE  
ENFORCEMENT, PAYROLL – FULL TIME”**

- Tabled 1/10/11

**R-11-114**

Endorser: Mayor Donnalee Lozeau

**RELATIVE TO THE ADOPTION OF FISCAL YEAR 2012 PROPOSED BUDGET FOR  
THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS**

- Public Hearing scheduled for 6/13/11 at 7:00 p.m. at NHS-North Auditorium
- Tabled 5/23/11

**R-11-115**

Endorsers: Mayor Donnalee Lozeau  
Alderman-at-Large Brian S. McCarthy  
Alderman Kathryn D. Vitale  
Alderman Richard LaRose  
Alderman Arthur T. Craffey, Jr.  
Alderman Mary Ann Melizzi-Golja  
Alderman Jeffrey T. Cox

**AGREEMENT TO TRANSFER FUNDS BACK TO DEPARTMENTS BASED  
ON HEALTH CARE CONCESSIONS**

- Tabled 5/23/11

**O-10-23**

Endorser: Alderman-at-Large Barbara Pressly

**ESTABLISHING AN OMBUDSMAN FOR THE CITY OF NASHUA AND AUTHORIZING  
THE TRANSFER OF \$60,000 FROM ACCOUNT 591-86005 “FY2011 GENERAL  
CONTINGENCY” INTO ACCOUNT 501-53 “MAYOR’S OFFICE – PROFESSIONAL  
SERVICES”**

- Tabled 8/5/10
- Also assigned to the Personnel/Administrative Affairs Committee; Tabled 8/12/10

GENERAL DISCUSSION

Alderman Wilshire

I did have a question for the Mayor. I didn't know if she was going to be present for the wrap-up session, but I had a question about the cemetery stipend that was in the budget for \$5,000. How does that get approved? Is that approved by the Trustees?

Mayor Lozeau

Yes.

Alderman Wilshire

Okay. It looks like on the Woodlawn one, in the minutes, there was a motion made by Mr. Buslovich and seconded by Mr. Aponovich to approve this stipend for Pinewood for \$6,368 and it is in the budget at \$5,000.

Mayor Lozeau

Because I objected to that and worked with them and they agreed to go with the \$5,000.

Alderman Wilshire

So they don't set it.

Mayor Lozeau

It starts that way. That night I said something about that because Mr. Campbell is not happy about it, and he responded in a way that made it very clear. What I said that night was it begins with the Trustees, I'm a Trustee, and then it comes to my office like it does with anybody else, Library Trustees, anybody else, and I either agree or don't agree. I don't think it is appropriate to set the stipend at the same amount as somebody else who has been in that job a lot longer at a higher rate. That is why I asked them to reconsider it, and that is why it is different. Mr. Snow has been a City employee I think 17 years, I don't have that in front of me tonight, but I'm pretty sure, and has had responsibility for the Suburban Cemeteries for a majority of that time and has earned his stipend increasing. Mr. Campbell this will be his first time, the first cemetery that he is responsible for. It is a single cemetery. Even though you could look at it on a per acreage thing and say well it might be bigger than the Suburban Cemeteries, but probably not if you put them all together, but it is certainly less responsibility than it is to go to multiple locations, and it just didn't ring right with me.

Now, as their budget changes...I very rarely do anything with Woodlawn's budget because they are self-sufficient, they don't take City money. Pinewood that is not the case and it is our first year taking on that responsibility, and as I said I'm going to probably have to come in with their budget for this past year and what was spent and do something with that, and I was just not comfortable with that amount being greater than \$5,000.

Alderman Wilshire

Okay. Thank you.



Mayor Lozeau

You are welcome.

Chairman Deane

Is there anymore general discussion?

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

ADJOURNMENT

**MOTION BY ALDERMAN WILSHIRE TO ADJOURN**  
**MOTION CARRIED**

The meeting was declared closed at 10:28 p.m.

Alderman-at-Large David W. Deane  
Chairman, Budget Review Committee